

Readiness assessment of selected tourism institutions for electronic business system applications in the Western Cape tourism industry.

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Assignment submitted in partial fulfillment of the requirements for the degree of MPhil in Information and Knowledge Management at the University of Stellenbosch

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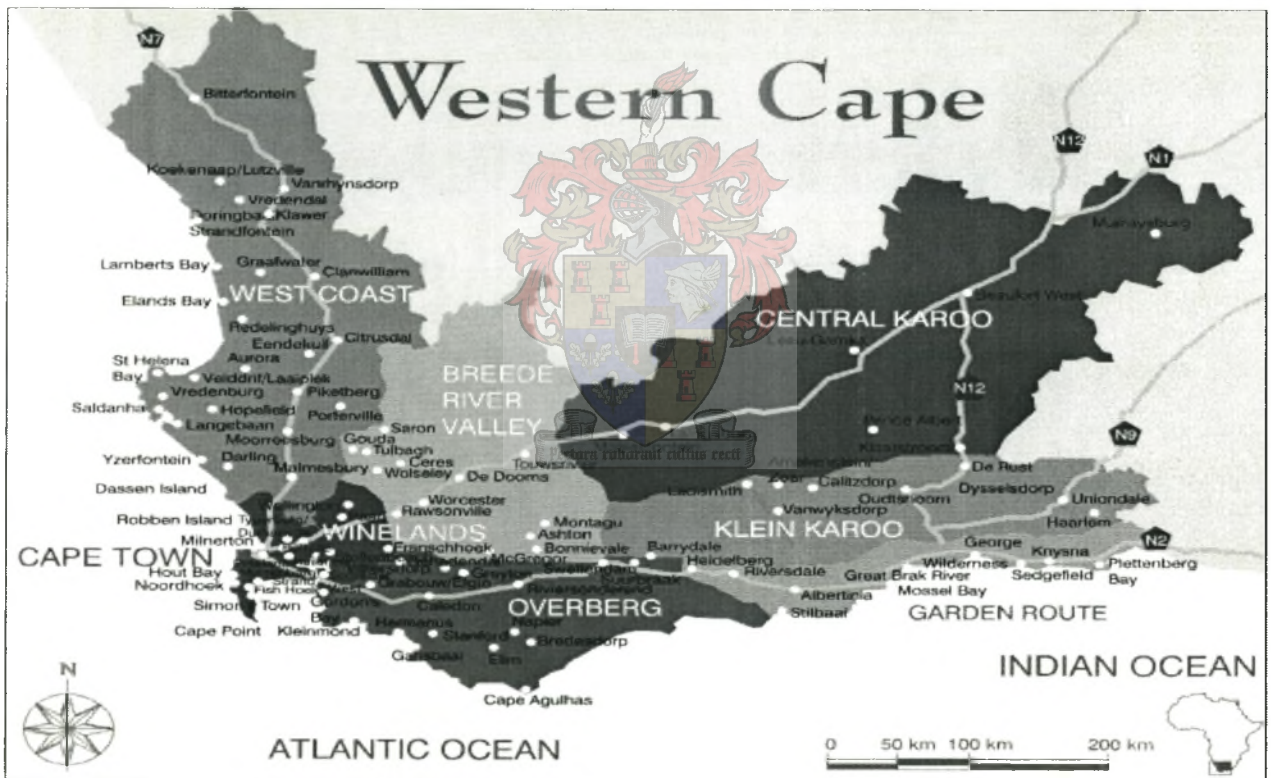


Diagram: 1¹

Supervisors: Prof B. Fouché and Mr. D. Botha

April 2004

¹ Extracted from the Cape Town Tourism [online]. Available: <http://www.capetourim.gov.za>

Declaration

I, the undersigned, hereby declare that the work contained in this assignment is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature:

Date: .

Abstract

The tourism sector in the province is regarded as one of the major economic sectors that have been found to have significant growth prospects. Indeed it's revitalising and captivating to see the provincial tourism industry organizing itself to adapt to the new challenges of the knowledge economy, while also retorting to the new demands emerging from the needs and the expectations of the customers. The Western Cape tourism industry is currently preparing itself for the knowledge intensive marketing of its products and services and is also faced with challenges arising from the need to exploit electronic business systems for the benefits of the entire industry and its role players.

In a nutshell, this requires the Western Cape tourism industry to understand the operation of global economic systems and strive towards locating itself strategically within them, and also develop strategic alliances with developing countries in order to reshape the system of global governance to achieve more equitable outcomes. Simultaneously, it requires that it equip the provincial economy as a whole, its sectors and enterprises to meet the challenges facing it in becoming sustainable competitive environment.

This is an exploratory study of which the research problem is whether the selected tourism institutions are ready to implement electronic business systems. The proposed research study findings indicate the readiness level of the selected institutions in implementing electronic business systems.

The research methodology instruments of the study were twofold. Both a modified questionnaire designed by Business Development Bank of Canada (BDC) to evaluate companies' readiness in electronic business systems application was used, as well as a structured interview to acquire qualitative data was also used.

The paper is not only a result of my personal interest in electronic business field, most importantly, it is of necessity to understand the concepts and principles of 'electronic business' and 'Destination Marketing Organisation' as they apply to the Western Cape tourism industry.

Ekserp

Die toerismesektor in die provinsie word beskou as een van die vernaamste ekonomiese sektore wat beduidende groeivoorsigte toon. Dit is inderdaad opwindend en fassinerend om te sien hoe die provinsiale toerismebedryf homself organiseer om by die nuwe uitdagings van die kenniseconomie aan te pas, terwyl daar ook voldoen word aan die nuwe eise wat uit die behoeftes en die verwagtinge van die klante voortspruit.

Die Wes-Kaapse toerismebedryf berei homself tans voor vir die kennis-intensiewe bemerking van sy produkte en dienste en kom ook te staan voor uitdagings wat spruit uit die behoefte om elektroniese besigheidstelsels tot voordeel van die hele bedryf en sy rolspelers te ontgin.

Kortom vereis dit van die Wes-Kaapse toerismebedryf om die bedrywighede van wêreldwye ekonomiese stelsels te verstaan en daarna te streef om homself strategies daarin te plaas, en ook om strategiese alliansies met ontwikkelende lande te vorm ten einde die stelsel van wêreldwye bestuur te hervorm om billiker uitkomst te lewer. Terselfdertyd moet die provinsiale ekonomie as geheel, sy sektore en ondernemings toegerus word om te voldoen aan die uitdagings waarvoor dit te staan kom terwyl dit 'n volhoubare mededingende omgewing word.

Hierdie is 'n verkennende studie waarvan die navorsingvraagstuk is, of die geselekteerde instellings gereed is vir die implementering van elektroniese besigheidstelsels. Die bevindings van die beoogde navorsingsondersoek sal die gereedheidsvlak aandui van die geselekteerde instellings om elektroniese besigheidstelsels te benut.

Die navorsingsmetodologie het tweeledig van instrumente gebruik gemaak. Een daarvan was 'n spesiaal aangepaste vraelys wat deur BDC ontwerp is om maatskappye se gereedheid vir die toepassing van elektroniese besigheidstelsels te evalueer, en die ander 'n gestruktureerde onderhoud.

Die studie is nie bloot 'n gevolg van my persoonlike belangstelling in die veld van elektroniese besigheid nie, maar die belangrikste is om die konsepte en beginsels van 'elektroniese besigheid' en 'Destination Marketing Organisation' te begryp soos dit op die Wes-Kaapse toerismebedryf betrekking het.

Acknowledgements

I would like to express my sincere thanks to all people who contributed towards this piece of work. More specifically, I would like to thank:

- ☺ My supervisors, Prof. Ben Fouche, Dr. Martin van der Walt and Mr. Daan Botha for their supervision and helpful advice in the preparation and composition of this report and, most importantly for their comments, suggestions, questions, encouragement, support and understanding throughout the process.
- ☺ Mr Michiel Buys who played a huge role in analysing data and helped me to make sense of the statistics.
- ☺ Western Cape Tourism industry captains for participating in this study.
- ☺ Ms. Carol Nhlumayo who inspired me to research on this topic and played a great part in organising relevant information.
- ☺ Mr. Seretse M. Moyo and Mr. Mlamli Roji for proofreading part of this report and helping me in editing the manuscript.
- ☺ My son who is two years old, for crying sometimes while I was studying forcing me to take a break.

I also record my deepest gratitude to my family for their love, patience, cooperation and moral support throughout my years of study. I dedicate this to all of them hoping to see return on investment and intelligence for keeping on supporting them.

Lastly, I would like to thank my friends and colleagues who somehow tolerated delayed service and lack of attention while I was preparing this assignment.

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List of abbreviations

CRM.....	Customer Relationship Management
DMO.....	Destination Marketing Organization
e-business.....	Electronic business
e-commerce.....	Electronic commerce
ICT.....	Information Communication Technology
ICTs.....	Information Communication Technologies
IT.....	Information Technology
JMI.....	Joint Marketing Initiative
LTBs.....	Local Tourism Bureaus
MICE.....	Meetings, Incentives, Conferences & Events
MEC.....	Member of Executive Council
RTOs.....	Regional Tourism Organisations
PGWC.....	Provincial Government Western Cape
SADC.....	South African Development Cooperation
SCM.....	Supply Chain Management
TEAM.....	Tourism Enterprise and Management
TMSIP.....	Tourism Marketing Strategy and Institutional Proposal
WCTB.....	Western Cape Tourism Board
WCDMO.....	Western Cape Destination Marketing Organisation
WESGRO.....	Western Cape Trade and Investment Agency
WPSTD.....	White Paper on Sustainable Tourism Development

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1) Introduction

1.1 *Tourism Industry in the 21st century*

The knowledge intensive economy implies a need to reform the existing economic and business systems to maximise the growth potential within the domestic economy, integrate beneficially into the global economy and build competitiveness. It implies a new change based on increased knowledge intensity, value addition, wider and more equitable participation in the economy and regional production systems.

Furthermore, the new economy, often referred to as the knowledge economy, is increasingly composed of integrated networks and sophisticated applications that connect and interlink organisational operations from the perspectives of business-to-business, business-to-consumers, government-to-business, government-to-government and consumers-to-consumers interaction. It consists of electronic business systems that facilitate the economy's interconnectivity and collaboration, at the core of the accelerated trajectory is knowledge intensity.

The knowledge intensity means utilising and developing the knowledge and skills of our people in order to integrate Information Communication Technologies (ICTs), innovation and knowledge-intensive services into the functioning of the economy and the business arena as a whole particularly in tourism business.

In the new millennium, the economic (tourism) opportunities rest increasingly in people, the knowledge they possess, and the systems they devise to conduct lucrative business operations online rather than solely earmarking the traditional factors of production such as land, capital and the natural resources. The modern tourism businesses in the knowledge economy are achieving not only a sustainable economic growth and development but also, the collaborative and competitive advantages, through skilled knowledge workers who utilise and harness integrated business systems that facilitate the operations of the organizations .

To keep abreast with the above technological changes, the national South African Department of Trade and Industry (**thedti**) has reformed its integrated manufacturing strategy aimed at accelerating growth and development of the economy. The strategy focuses on the knowledge intensive sectors that have considerable potential for increased outputs, exports, and employment creation. The sectors that have received a focused attention according to

thedti² are agriculture (including food production), tourism, ICTs, cultural industries and export sectors, including minerals and metals, clothing and textiles, automobiles, agro-processing, and chemicals.

At provincial level, the Western Cape Department of Economic Development and Tourism has also recognized the need to change and reshape the economic development activities and introduce the knowledge intensive activities. In compliance with the national knowledge based policy development, the Department has published a White Paper on Preparing the Western Cape for the Knowledge Economy of the 21st century. This showcased the Province's full commitment to supporting the region and promoting knowledge as a key resource and a factor of production. This has led to the tourism sector within the Department to review its policies and strategies, which led into the White Paper on Sustainable Tourism Development published in 2000³.

The White Paper stipulated that, a new organization - Destination Marketing Organisation (DMO) should be established to conduct the Western Cape tourism marketing activities and also provide general tourism operations for the benefit of all the citizens locally, provincially, nationally, and inter-regionally⁴. The Western Cape Tourism Board (WCTB) on behalf of the DMO appointed an electronic business champion to drive the Province's tourism initiatives, which later resulted in a model being designed - the Western Cape e-business conceptual model and web-enabled e-business systems.

The formation of the DMO was envisaged to lead to a major restructuring in the nature and the scope in which the Western Cape tourism marketing activities are conducted functionally. The envisioning establishment of the DMO was fully to take over the activities and functions of the WCTB including the provincial marketing activities. The idea was to centrally market Cape Town and the entire Western Cape tourism marketing products and services under one umbrella body in an attempt to send a single message across.

² RSA. The Department of Trade and Industry. 2002. **Accelerating Growth and Development: The contribution of an Integrated Manufacturing Strategy**. Pretoria: thedti Research Unit.

³ The White Paper on Preparing the Western Cape for the Knowledge Economy of the 21st Century (2000:vii) & The White Paper on Sustainable Tourism Development and Promotion in the Western Cape (2001:3)

⁴ The White Paper on Sustainable Tourism Development and Promotion in the Western Cape (2001:5&6)

The Western Cape tourism industry is faced with new challenges brought to the fore by technology development, concurrently, it has to leverage its structures and strategically and integrate its services for the benefit of the entire industry. Given the Western Cape tourism developments and new horizons, the big question for the study, is whether the selected tourism institutions that are under the DMO are ready to implement electronic business systems.

1.2 Chapters' presentation

Chapter four provides the aims of the study. Chapter five discusses the research problem, and hypothesis. Chapter six focuses on the international perspective in the global tourism institutions regarding the practice of electronic business and its evolution and it discusses a variety of electronic business practices worldwide. Chapter seven deals with electronic business concept, modelling and web enabling systems envisioning to be implemented in the Western Cape tourism sector. Chapter eight deals with the research methodology of this research study and also explains the dynamics and the dimensions of the study.

1.3 Electronic business for tourism

Electronic business systems for tourism environment are epitomised by their uniqueness, easy access and user-friendliness that bring a complete element of the change management in the culture and routine operations of the tourism organisations. Electronic business systems back and front office applications such as Customer Relations Management (CRM), Enterprise Resource Planning (ERP), and Supply Chain Management (SCM) are ideal to play a significant role in delivering such an excellent and memorable delighting experience to the above-mentioned audience.

In essence, the electronic business systems application in tourism marketing practice should depict how the DMO should engage through cooperative and collaborative networks with its counter parts and the key role players while playing strategic role in linking tourism business networks and operations to the benefit of the economy and the tourism industry in particular.

1.4 Challenges for the Western Cape Tourism Industry

The challenge puts forward by the study focuses on the fundamental opportunities and the challenges for the Western Cape tourism industry based on the following:

- ? how relevant e-business systems in support of the tourism products and services will be devised, integrated and utilized?
- ? how tourism networks and systems to support daily tourism operations will be maintained and sustained?
- ? how rapid technological changes and new opportunities in the tourism sector within the region will be exploited?
- ? whether the DMO itself is ready to embark on electronic business systems practice for the benefit of the entire tourism industry at large?

A further challenge put forward by this assignment is that of the need for the DMO and its counter-partners to understand not only the needs of the local and overseas markets and deliver requisite delighting service but also to their clients including the business partners, stakeholders, suppliers and other value chain role players. However, this won't be discussed in detail in this study but there will be exceptional cases where this would be emphasised.

Lastly but not least, in order to have a sound foundation from which to evaluate the readiness of these institutions, it is imperative to reflect some of the significant concepts and terms i.e. electronic business, electronic commerce, front office and back office applications and DMO.

The definitions used in the study are extracted from various sources and should be regarded as the working definitions for this paper. In fact, due to the time constraints and the fear of losing focus, other sources' definitions were not thoroughly explored, as the focal point of the study was not based on reviewing the various definitions but rather to exploring the status quo of the selected institutions as pertinent to the practice of the electronic business systems.

1.5 Key definitions

Back Office Applications: According to Itech Research, these are the applications that provide functionality for internal operations within an organisation. They include some Enterprise Resource Planning (ERP) applications, which are used to manage inventory levels, manufacturing processes and procedures, and all of the supply chain activities associated with procuring goods, services, or raw materials⁵.

Destination Marketing Organization (DMO): is a single stop tourism organization which was proposed by the Ministerial Tourism Task Team to conduct tourism marketing on behalf of the Western Cape Provincial Government, City of Cape Town and all the district and local municipalities within the province. Its main objectives are to centrally market the Western Cape tourism products and services. It will also facilitate and spearhead product packaging and development while also coordinating and managing tourism information and research including operation of Gateway Visitor Information Centres⁶.

Electronic business (e-business): It encompasses e-commerce, and includes both front-and back-office applications that form the engine of modern business. It is not just about e-commerce transactions, it's about redefining old business models, with the aid of technology (Internet), to maximize customer value and e-commerce is an extremely important facet of the e-business.

It is a utilization of electronically enabled communication networks that allow the enterprises to transmit and receive information in a variety of mediums for a variety of purposes⁷. It is a wider concept that implements all aspects of the use of information technology in the business as it includes not only buying and selling but also servicing customers and collaborating with business partners, and often involves integration across the business processes and communication within the organization⁸.

Electronic commerce (e-commerce): It is simple conducting regular business electronically and/or across the extended enterprise through Internet offerings. It covers any form of business or administration transaction or information exchange that is executed using any

⁵ Itech Research Company. [online] Available: http://www.itechresearch.com/back_office.html

⁶ TMSIP, (2002:xvi)

⁷ Fellenstein, C. & Wood, R. (2000:26)

⁸ Rowley, J. (2002:2)

information and communications technology.⁹ Even though it poses the most significant challenge to the business model. The computer automates tasks, and increases business speed ever since the advent of computing itself but it has not fundamentally altered the business foundation¹⁰.

Front Office Applications: are applications that enable an organisation to engage with its customers¹¹. According to him, they are supporting tools for people interacting with customers. They include applications like help desks, customer call centres, customer service desks, sales force automation, asset managers, and sales force automation tools.

⁹ Rowley, J., (2002:2)

¹⁰ Kalakota, R. & Robinsón, M., (c1999: 4&5)

¹¹ http://www.global-image.com/documents/perspectivepapers/gi_front_office_perspective_v1.pdf

2) The aims of the study:

The aim of the study is to evaluate the readiness of the selected tourism institutions in the Western Cape in implementing electronic business systems application. It is an exploratory research aiming at utilising an electronic business readiness diagnostic model, with the aim of evaluating and verifying the status quo of the selected tourism institutions.

The study impact

Despite the diverse nature of the entire Western Cape tourism industry, the study assumes the following aspects:

- ☞ The research findings will benefit the entire tourism industry in the Western Cape
- ☞ The results of the assessment study could lead to a greater understanding and the level of readiness of selected tourism institutions in electronic business systems application and will contribute to the existing repository of the tourism documents within the Western Cape tourism industry.
- ☞ The study would be of critical importance to marketing practitioners and strategists in all spheres of the public sector, the private sector and the civil society involved in tourism operations.
- ☞ The inhibiting factors on these selected tourism organizations with regard to the electronic business systems readiness would be clearly identified and well understood by those affected to ensure the smooth implementation and operation of the DMO.
- ☞ These selected tourism institutions conform to the DMO's strategic operations with no discrepancies with high level of focus on customer needs satisfaction.

The next chapter will reveal the research problem, statement and the hypothesis.

3) The Research Problem and Hypothesis

As a single “central marketing organisation”, the DMO will according to Smith¹² incorporate the various tourism bureaus’ boards and offices that market Cape Town and the Provincial regions independent of one another, to do a better job of marketing the province as a tourism destination particularly, Cape Town as the gateway entry point to Southern Africa. *The research problem of the study is whether the selected institutions represented by the DMO are ready to implement electronic business systems? The research statement of this study is that, the selected tourism institutions are not ready to implement electronic business systems.*

In order to respond to the above questions, it is imperative to consider and scan the following issues that seem to be relevant and important in supporting the Western Cape tourism industry’s e-business initiative. As the Western Cape tourism industry has identified the need to establish, develop and support an e-business systems application that seem to be conducive to

- ☞ the tourism growth in the Western Cape vis-a vis the rest of the world
- ☞ succeed in the global arena with Information Communication Technologies (ICTs) as an enabler
- ☞ have agility in the network economy¹³
- ☞ be timeously responsive to tourists’ needs
- ☞ develop integrated provincial tourism information systems
- ☞ render the services of high quality through customization and personalization of tourism products and services
- ☞ exploit and utilise integrated services to market tourism products and services

For the purpose of future research on this topic, a new research problem statement is being proposed *for further research that e-business systems application does not determine institutions, it innovates, harness and enhances its operations but neither institutions determine e-business systems, they explore and exploit them.*

¹² Smith, T. 2003. Tourism plan formalised. Cape Argus, 19 June: 4

¹³ Deloitte Touché. 2003. Network Economy. [online] Available: <http://www.deloitte.com/vs/0,1616,sid%253D1073,00.html> it is characterized by a massive connectivity; the connectivity is made possible by the explosive growth of ubiquitous, relatively inexpensive computing and telecommunications power. It represents, in their view, the business opportunity of a lifetime, encompassing and transcending what they refer to as "e-Commerce" and "e-Business." It explains it further that a massive Network Economy connectivity enables enterprises to be linked more closely than ever before to suppliers, clients, allies, lawmakers and regulators, shareholders, and competitors. In turn, these linkages are forcing companies to re-examine, re-define, and re-create fundamental business models and processes. The power of Network Economy connectivity enables companies to reinvent themselves-in fact; it is the kind of reinvention will increasingly be required in order to maintain competitive viability.

In the next chapter, the electronic business concepts and its dynamic evolution and trend concepts will be explored and discussed. The idea is to benchmark some of the global best practices in order to explore similar tourism developments and learn from lessons learnt in those developments. It focuses on the electronic business concept, its phenomenon and how it was evolved within the tourism arena. It brings an international perspective on electronic business practice within the tourism arena and concentrates on the evolution of the destination marketing systems such as electronic business systems.

4) The electronic business in the Global tourism arena – an international perspective

"Those who choose to ignore e-business or regard it as a peripheral activity-do-so at their peril: WTOBC Chief Executive Officer Jose Antonio Ferreira "Their major competitors will certainly be exploiting the opportunities it presents to enhance their competitiveness"

As the global tourism marketplace is becoming increasingly competitive according to the WPSTD¹⁴, the rate at which the electronic communication and commerce develops is having a substantial effect on the nature of the international tourism distribution network¹⁵. As the tourism industry rapidly enters the tourism era, according to the European e-business Market Watch¹⁶, the increasing role played by the e-business systems in the tourism industry is dramatic and widely recognized globally, World Tourism Organization¹⁷. Some countries are pioneers, others laggards as e-business is taking root just about everywhere¹⁸.

The practice of e-business is now the single fastest growing area of the e-commerce globally especially in the business to consumer (B2C) segment albeit the business to business (B2B).¹⁹. Indeed, the environment in which the tourism competes is changing, as the global tourism market is increasingly competitive, the new strategy for the Scottish tourism also acknowledges the destinations around the world that are becoming more accessible and more attired to the needs of the tourists²⁰. The strategy acknowledges the tourism itself as being changing completely by developments in technology, particularly in communication and in the growth of the e-commerce.

The challenge for today's tourism business is not just to join the digital e-business revolution but also to ensure that the tourism products complement the customers' needs reported the Edinburgh & Lothian's Tourism Board²¹. This has also been recognized by various authors and sources that the benefits of the e-business for tourism could not be neglected as the Internet has removed the geographic barriers, giving the institutions an access to a huge global market²². According to the Australian Authority, the e-business for tourism is a vital

¹⁴ WPSTD, (2000:16)

¹⁵ WPSTD, (2000:34)

¹⁶ The European e-business Market Watch. [online] Available: <http://www.ebusiness-watch.org>

¹⁷ World Tourism Organization. [online]. Available: http://www.omnitourism.com/WTO_News.htm

¹⁸ Economic Intelligence Unit. [online] Available: http://www.ebusinessforum.com/index.asp?layout=rich_story&doc_id=5768

¹⁹ Fellenstein, C. & Wood, R. (2000:77)

²⁰ Scottish Tourism Executive, 2003. [online]. Available: <http://www.scotland.gov.uk/library>

²¹ Edinburgh & Lothians. [online]. Available: <http://www.lothianexchange.net/BusinessDevelopment/Tourism.htm>

²² The Scottish Parliament Information Centre. [online]. (2002:2); Scottish Executive - New strategy for Scottish tourism, section 4 & 5; Tourism Development International, Automatic International Technologies. Web Tourism [online]. Available: <http://www.leisureaustralia.com> & <http://www.world.net/vendor>; International American Development Bank Information Technology for Development Division. 2001. November - December, vol. 2 issue 14; World Tourism Organisation. 2001. Business Council report on e-business for tourism. [online]. Available: http://www.omnitourism.com/WTO_news.htm; Edinburgh & Lothian's Tourism Board. [online]. Available: <http://www.lothianexchange.net/InstitutionDevelopment/Tourism.htm>; Australian National Training Authority

portal for information and knowledge, and it offers valuable online booking facilities and creates more opportunities for the entire industry.

The e-business as a concept is a broadly used term for a number of ways of doing key business processes electronically. The external side of the e-business according to the European Commission Research Directorate General is the e-commerce, CRM and Supply Chain Management (SCM)²³. Part of the internal side of the e-business is electronic knowledge management i.e. systems for capturing, organizing, document retrieval and the business information and knowledge dissemination but most importantly are ERP systems.

The newly redefined e-commerce, which is well known today as **e-commerce two** called "**e-business**" supports the complete seller to buyer relationship, promotes product information to a global user base, accepts orders and payments for the goods and services online and also provides ongoing customer support and engaging in online collaboration for the new product development. It is characterized by its features such as the speed of service (self service and the use of integrated solutions); convergence of the sales and the service (customization and integration), easy of use (consistency and reliability), flexible fulfillment and convenient service delivery increased process transparency and visibility and infrastructure multi-channel integration²⁴.

According to the Scottish Parliament Information Centre, the e-business for tourism has only become possible through the spread of ICTs and the Internet evolution, which has changed the distribution of tourism sales and information²⁵. It has emerged as a result of the Internet revolution, from the Internet offering consumers access to easily comparable information. The Stern Business also states that the IT revolution has resulted in the model redefining of e-commerce one²⁶. Australian National Training Authority also writes that the tourism industry is constantly evolving in a leapfrogging manner in technology and is constantly changing in a global market requirement scale²⁷.

[online]. Available: <http://www.einstitutionforum.com>; Fabricius, M. et al 2001. E-business for tourism – Practical Guidelines for Destinations and Institution [online]. Available: <http://www.world-tourism.org/cgi-bin/infoshop.storefront>: The WCTB [online] Available: http://www.capetourism.org/news_body.asp

²³ Collaborative COSMe-Commerce in the tourism sector. [online]. Available: <http://europa.eu.int/ISPO/ecommerce/godigital>

²⁴ Kalakota & Robinson, (1999:30&31)

²⁵ Scottish Parliament Information Centre. 2002. Tourism e-business. [online]. August 21, Available: <http://www.scotland.gov.uk>

²⁶ Stern Business. 2002. An interview with Kenneth Laudon. [Online] Available http://www.stern.nyu.edu/Sternbusiness/spring_summer_2002/laudoninterview.html [08 December 2002]

²⁷ Web Compass Consulting. [online]. Available: <http://www.baddogdesign.com/webcompass/index.html>

The Internet based tourism services sector is developing immensely based on networks that link producers and users while resulting in a shift away from traditional supply chains and communication channels e.g. high street travel agents. In the 1970s, a travel marketing and distribution system known as Computer Reservation System was introduced. In the 1980s, geographical coverage was expanded via Global Distribution Services. Any institution worldwide in particular in tourism business should face the technological changes and handle the organizational impacts, applying the principles of collaboration working and sharing resources.

The Internet has huge significance for the tourism industry through Internet and information systems and IT based enablers such as the websites, databases, portals, ICT devices etc. and this has huge effects which includes return on investment and intelligence in particular travel and tourism institutions exploiting ICT and e-business benefits. The IT plays a critical role in the tourism chain of events such as advertising, information accessibility, securing bookings, and it remains at the cutting edge of IT, which turns to be a key factor in determining the region's competitiveness as WSTD reported²⁸ and it enables businesses' operations to be conducted online in a most effective and efficient method.

Drucker in his philosophical management argument refers to the IT revolution as reshaping at an accelerated pace, with new communication systems, increasing universal digital language that integrates production and distribution of words, sounds and images of our culture while customizing them to the tastes of identities and moods of individuals²⁹. While, Castells in his classical networked society (net and self) explains it differently that it does not evolve towards its closure as a system, but towards its openness as a multi edged network³⁰. Castells also argues that the technology does not determine society: it embodies it, but neither does society determine technological innovation: it uses it³¹. United Kingdom KPMG also acknowledges the e-business benefits and that the industry opportunity is an inevitable consequence of change and travel, leisure and tourism industries are experiencing an unparalleled scale of change," argued United Kingdom KPMG³². In their online book abstract, Fabricius, M., et al; argue that the new forms of e-business are offering major

²⁸ Western Cape Tourism White Paper, (2000:40)

²⁹ Drucker, (1993:1)

³⁰ Castells, (1996:6&7)

³¹ Castells, (1996:5).

³² KPMG. [online] Available. <http://www.kpmg.co.uk/kpmg/uk/DIRECT/INDUSTRY/ICE/TRAVEL/index.cfm>

opportunities for all tourism destinations and suppliers, whether large or small, to improve their business and remodel it in new and more cost effective ways³³.

In nowadays, there are variety of software solutions, applications and the systems that have been designed to provide the tourism products and services effectively, efficiently and concentrically. Some of the examples are Design base, which is an e-business version of the adventure tourism³⁴ and the eTravel16000, which provides travel marketing systems, travel reservation systems, travel bookings engines, travel bulk emailer and travel payment systems³⁵. Another example is that of an Australian authority who uses mainly the Internet to provide information on tours, accommodation and other tourism products.

The World Tourism Organization (WTO) reported that an online tourism is recognized as the fastest growing sector in online business³⁶. The Web Tourism also reported that the online marketing of tourism products and services is continuing to grow significantly. According to the Scottish Parliament, the e-business concept has digitised the tourism industry and resulted in the evolution of e-business systems, new business patterns and integrated initiatives such as e-tourism, e-business for tourism and tourism e-business³⁷. The e-business for tourism is ideal for the e-business integrated systems, which will ensure that resources are focused in a manner that will capitalize on opportunities in the tourism marketplace and deliver results.

The e-business systems application has got marketing benefits for the tourism industry and the DMOs. The institution could create a customer databases and communicate at low cost via email with customers around the world. A good example is Lancashire's Hill Country with various features of e-business for their marketing of tourism products and services ranging from outdoor activities, maps, places to stay, places to visit, eating out, travel rental, group travel, news, about the country, guides, contact, and park information to institution access³⁸.

The South African tourism office in Germany also announced the star graded establishment initiative which was given a preferential treatment by being listed ahead of non graded establishments on its newly launched e-business platform. According to the Tourism Grading Company about the e-business application in South Africa, the newly portal is the biggest

³³ World Tourism Organization. [online] Available. <http://www.world-tourism.org/cgi-bin/infoshop.storefront>

³⁴ Design-base. 2003. Design Base. [online]. Available: <http://www.designbase.co/francois2.html>

³⁵ Travell6000 [online]. Available: <http://www.eTravel16000.com> & <http://www.e-business.co.nz/Tourism>

³⁶ Web Tourism. [online]. Available: <http://www.webtourim.ie>

³⁷ Scottish Parliament Information Centre. [Online] Available: <http://www.scotland.gov.uk> SPICe Briefing August 21, - 02/93.

travel information website in the country with extensive database listings of all types of accommodation facilities and tourism activities. It reported that e-business is a core international and domestic tourism-marketing tool for any institution willing to thrive its business through doing business online³⁹.

From the above discussions, it is quite clear that the global tourism has responded to the new challenges of the ICTs and electronic business evolution. A big challenge transpires for the South African tourism authorities and the Western Cape in particular to benchmark the global best practices and take the e-business initiative to the fore front. Additionally, South Africa is one of the member states of the World Tourism Organisation, and it has to comply with the new global requirements and conditions in order to keep its level of competitiveness in the global arena. Correspondingly, Western Cape tourism institutions in particular the WCDMO should be part of the integrated economic and tourism systems of South Africa and the rest of the world.

The Western Cape tourism industry in particular the DMO and its role players are also faced not only with a massive challenge of changing their traditional business practice and marketing intelligence operations, but also increasing changes of the globalisation and leapfrogging developments so as to sustain their worldwide recognition of world class tourist destination possessing. As pertinent to tourism systems development, the changes in the global economic and tourism systems also affect the local tourism operations, it is imperative for the Western Cape tourism industry to strategically engage itself with other key role players and countries and strive towards comprehending systems and processes governing the tourism arena in order to mitigate the negative effects while at the same time seeking effective mechanisms to maximise the advantages gained for its domestic economic activities.

In brief terms, the PGWC and the industry itself should understand the operation of global economic systems, strive to locate itself strategically within those systems, and develop strategic alliances with relevant developing and developed countries in order to reshape the system of electronic business to achieve more equitable outcomes. Simultaneously, it requires that the tourism sector in the Western Cape should equip its economy as a whole, its

³⁸ Lancashire Hill Country. [online]. Available: <http://www.lancashirehillcountry.co.uk/welcome.asp>

³⁹ Tourism Grading. [online]. Available: <http://www.tourismgrading.co.za/tourism/news/messages/12.html>

tourism sector and sub-sectors including tourism enterprises and authorities to meet the challenge facing it in becoming sustainable competitive in this knowledge economy.

It is imperative for the Western Cape tourism industry to join forces so as to learn and equip itself abreast of the new developments globally. This should not only be viewed as in compliance with regulating authorities global but also for possible collaboration and integration of services for better service delivery and quick response to the client's needs and requests. However, the industry should not also neglect the local tourism needs, the rainbow flair diversity and solidarity, as the local market is also integral as well.

From the above chapter, it is clear that the tourism institutions globally understand the importance of embarking on electronic business systems route and that the economic opportunities are commonly shared jointly in an attempt to achieve one goal - that of harnessing and exploiting integrated tourism systems for the benefit of the entire citizens.

The opportunities presented by effective integration into global systems are essential to our ability to achieve the necessary levels of growth and equity, but benefits will not flow automatically. The risks of not engaging are however far greater, deciding not to engage will not prevent the Western Cape economy and its institutions from being affected by these processes; it will rather mean that these forces will not be mediated by our attempts to redirect them towards achieving the provincial tourism objectives.

The next chapter focuses on the Western Cape tourism sector as pertinent to the electronic business systems application. It outlines the arising need for the provincial tourism marketing institutions to have a unique e-business systems aiming at improving the industry's business operations and services while delighting the customer's needs to be focally centric. The idea is to review the nature of the Western Cape tourism business operations, its activities and services and link it with the concept of e-business systems application in determining the exact practical opportunities the concept has for the industry.

5) The Electronic Business Systems in the Western Cape Tourism Industry

"But there is more to becoming a successful e-business than offline brand building" Samji, A., Gray, S. March 2002. E marketing: our customers are ready, are you? The Chartered Institute of Marketing.

The tourism sector is one of the key major growth sectors in the Western Cape province⁴⁰, according to Wesgro it has a selection of key sectors that were found to have a significant investment opportunities and growth prospects⁴¹. A recent study on Tourism Marketing Strategy and Institutional Proposal (TMSIP) published that the Western Cape is a leading destination for overseas travelers, its strengths lingers on its variety of world-class tourism attractions⁴². The Western Cape is blessed with natural scenic beauty areas and physical infrastructure that in return provides unique excellent tourism products for both domestic and international clients⁴³.

It is regarded as an entry point to South and Southern Africa and is geographically linked to other provinces and areas in the country⁴⁴. As the province with a Good Hope for all principle, the Western Cape is settling itself to portray its renowned major tourism attractions. Its tourism industry implements wide range of opportunities and it has the potential to becoming a tourism launch pad to Africa, the potential to become a single stop international holiday destination. According to Wesgro, it is envisaged that it will be bound to soar when the largest and most modern convention complex in Africa opens in 2003 states the to Western Cape Trade and Investment Agency (WESGRO)⁴⁵. It is currently the 28th most popular convention destination in the world according to the 2003 rankings. The capital city of the province that bestows South Africa's legislation house of Parliament (Cape Town) is home to millions of people with different cultures and backgrounds.

Beside its international tourism magnet as TMSIP⁴⁶ state, Cape Town was recently ranked fifth position out of eighty countries that were surveyed as the most city tourist- destinations to be visited before one dies in a lifetime⁴⁷. It has received a high acclaim as one of only 24 cities likely to be identified globally as "winning city" in a new report by Jones Lang LaSalle

⁴⁰ Constitution of the Republic of South Africa, (1996:60)

⁴¹ Western Cape Economic Sectors... 2000. WESGRO INFO SHEET, March

⁴² TMSIP, ⁴² (2002:x)

⁴³ WCTB, (2001:1)

⁴⁴ TMSIP, (2002:xi)

⁴⁵ News from South Africa's WC. 2000. WESGRO CAPE INVESTOR FACT SHEET. 3RD QUARTER.

⁴⁶ TMSIP, (2002:xi)

⁴⁷ BBC Survey [online] Available. <http://www.bbc.co.uk/50>

(an international research group). According to a report produced in 2003, the city has a bright future as tourism and conference venue as recent efforts to rejuvenate the central business district is as bearing fruit⁴⁸.

The Western Cape Government (PGWC), the City of Cape Town local government, the regional government bodies and the various tourism promotion agencies have recognized the relevance of ICT, and the digital business and networking opportunities as a user-friendly practices for the achievement of their strategic objectives⁴⁹. According to the TMSIP has the industry players involved in the tourism development and growth have also recognised the need to develop integrated electronic business systems to help transform the Western Cape tourism industry and the business environment to be more electronic driven and orientated⁵⁰.

The PGWC embarked on a strategic policy development and later produced two White Papers in an attempt to rejuvenate the provincial strategy to focus more on knowledge intensive activities and electronic business systems to support economic activities. One of the White Papers the White Paper on Sustainable Tourism Development) {WPSTD} state that the Western Cape will have to position its unique selling points within the national and global environment in order to establish and enhance its competitive position⁵¹. The WPSTD has proposed that, a single one stop shop-marketing agency (the DMO) be established in the Western Cape to incorporate all the provincial marketing activities within one structure, with a unified brand for the province. Its other functions were to include maintenance of the systems for accreditation of the tourism information centres, management of the provincial tourism information databases, provision of the user-friendly guidelines in support of the local government structures, promotional awareness, arts and crafts in the province.

The WPSTD also recognises the need and the opportunity for the Western Cape tourism institutions to work in close partnership with South African Tourism office at national level while at the same time working hand-in-hand with other provincial and local tourism institutions such as, the Regional Tourism Organisations [RTO's], Local Tourism Bureaus [LTBs] and even closer and more productive partnership with the private sector. A joint venture between the public and private sectors has already emerged constructively, there were number of workshops and meetings aiming at exploring integration of services and

⁴⁸ Thiel, G. 2003. Cape Times

⁴⁹ Western Cape Tourism e-business Vision and Model, (2002:2)

⁵⁰ TMSIP, (2002: xiv)

enhancing communication levels within the cities and the provinces in an attempt to increase collaboration and cooperation amongst the tourism industry in the country. Additionally, two major joint ventures emerged resulting in the establishment of the Joint Marketing Initiative (JMI) and the DMO and in the latter part of this chapter they will be discussed in details.

To usher the Western Cape into the 21st century, another White Paper that committed the Province and its people in preparing the Western Cape for the knowledge economy was published. The knowledge economy White Paper recognised the need for the introduction of world class systems for the collection, analysis, management and dissemination of information as widely seen to be an indispensable pre-condition for the development and implementation of effective and competitive systems for the regional economic growth and development. It states that information will be a key resource in a knowledge economy, the introduction of new and improved systems would therefore be a priority given the current lack and inefficient inability of the existing systems to be high customer focused and information centric⁵².

In an effort seeking to optimise the contribution of the tourism industry in the economic activities of the province engravingly, the Western Cape Member of Executive Council (MEC) of Agriculture, Gaming and Tourism instructed the tourism task team in 2001 to formulate a *"winning tourism strategy"*. The strategy encompasses a proposal for a collective information management plan, including e-business systems that would comprise programs for both *"front & back office applications"* such as CRM, visitor information systems, ERP, online advertising, electronic content management, and communication & support marketing systems⁵³. Later this same year, a Tourism Enterprise and Management (TEAM) consulted was appointed to oversee the e-business systems development initiative in the Western Cape. TEAM played a significant role in conducting a SWOT (Strength Weaknesses, Opportunities and Threats) analysis for the entire tourism industry that included provincial and local tourism authorities. An e-business model was designed and e-business framework and strategy were developed.

In order to mine the market, service the market, grow the market and know the market, the PGWC - the Department of Economic Development and Tourism, City of Cape Town and

⁵¹ Western Cape Tourism White Paper, (2000:18)

⁵² White Paper, (2001:17)

⁵³ Tourism Marketing Strategy... (2002: 5, 6, 9, 25, 48, 50, 52, 53 & 65)

other relevant key stakeholders and role-players established a JMI. The JMI was established prior to the above development and was abortive due to political and lack of resources. The JMI comprised of five key main sectors that were highly targeted and developed sustainable in a competitive manner to integrate the services and products of similar nature and market a full, unique and integrated product about the Western Cape as pertinent to the branding and reaching its targeted market.

The joint partnership between the provincial and local government undertook joint initiatives to coordinate and align regional marketing activities for the purposes of economic development and growth in the Western Cape Province. The main objectives of the JMI were to develop a single brand and integrated global marketing strategy for the City of Cape Town and the Western Cape region; and the co-operative marketing framework supported by an appropriate organization, focused on investment promotion, trade promotion, tourism promotion, major events and film.

As part of the transformation and the establishment of the appropriate institutions to support the common brand and implement the joint marketing strategy, JMI envisioned that there will be separate institutions (business units) for each sectors targeted, along with a sixth coordinating organisation that will provide shared administrative and support services and carry out brand management and related activities. Each of these institutions was to make optimal use of ICT, and it was expected that they would operate with a strong emphasis on e-business system application. According to the WCTB tender/proposal procedure document, these business units will include CRM systems, knowledge management systems and other databases and systems shared by and common to all business units⁵⁴.

The initial idea was to strategically move away from the negativity aspect to more proactive marketing scenario that will enable the Western Cape tourism industry through electronic business systems application to co-ordinate a variety of data and information as well as assisting in its free flow between specific organizations in both public and the private sectors within the tourism marketing arena, as the efficient electronic communications in nowadays is the key to sustainable growth and development⁵⁵. According to a report by Nhlumayo, the tourism institutions including agencies are competing amongst each other through marketing

⁵⁴ WCTB Tender/Proposal procedure, (2002:3)

⁵⁵ WCTB e-Business Project manager. [online] Available: http://www.capetourism.org/news_body.asp?NewsID=773

themselves abroad individually and that the spin-offs are not generously fruitful and lucrative to the entire regional tourism sector⁵⁶. Nhlumayo added by saying that there is still a lot to be done to monitor the provincial tourism market in terms of size and growth, as the overall perception of the provincial marketing strategy was negative⁵⁷. D'Olivier also reported that there were no coordinated, easily accessible databases from which tourism information can be drawn and utilized⁵⁸.

According to her, the Western Cape should have highly qualitative information management systems at the heart of its programmes, an e-business systems application that will enable the government tourism promotion agencies and the tourism industry to enhance their business performance. In addition to that, Nhlumayo also reported that there is no marketing information system existed in the province, as the findings of a marketing research were not effectively communicated⁵⁹. Ozinsky⁶⁰ also reported that there is no 'healthy' working relationship between the cities, the provinces and the South African tourism in which more creative marketing, uniform branding, and spreading visitors throughout the country.

She also stated that, prior to the recent meeting that was arranged for all the representatives of the various cities and towns including the provinces nationwide, there was no formal network through which South African cities could engage with South African tourism and such a collaborative initiative is critical and imperative for the South Africa's tourism industry to cooperate and share common experiences and lessons learnt continuously.

The tourism network which encompasses the LTBs, RTOs, provincial tourism offices and the national tourism institutes involved in the tourism marketing activities has an urgent need for a robust and sophisticated destination marketing systems to help them compete in the global marketplace. In addition, the public sector tourism organizations require the modern e-business systems to enable them to work effectively and in close co-operation with each other including the private sector.

According to the WCTB, the Western Cape e-business vision should have an integrated system, linking all levels of the tourism structures national, provincial, regional, and local

⁵⁶ Theresa, 2003. Tourism Plan Formalised. *Cape Argus*, 19 June: 19.

⁵⁷ Nhlumayo, (2000:55)

⁵⁸ WCTB e-business project manager [online]. Available: http://www.capetourism.org/news_body.asp?NewsID=773

⁵⁹ Nhlumayo,⁵⁹ (2000:68)

with a complete fully fledged network of communication within and across the different organizations; and using shared high quality databases, as the foundation upon which a wide variety of functions can operate with maximum cost effectiveness.

The strategy number seven of the WPSTD also stipulated strategic objectives aimed at encouraging the establishment of a web enabled integrated provincial tourism information system for the provision of electronic information exchange network. The strategy also, highlights the need to support tourism developments that comprise appropriate, multidimensional user access systems, and research priorities⁶¹.

This has also led to the evolution of the e-business initiatives in the Western Cape in fostering integrated systems so as to market the province competitively and effectively.

The WCTB was assigned with the tasks and responsibilities for the provision of the e-business systems project for the development of a vision, model and a system's plan to give effect to the WPSTD. The reports of both the tourism task team and the WPSTD usher the establishment of the DMO to coordinate the Western Cape tourism marketing activities of the province. Beside the tourism task team and the WPSTD recommendations, the PGWC embarked on the establishment of the Joint Marketing Initiative in the Western Cape to support key major target sectors that have a major investment opportunity in the province.

The substantially advanced preparation of the tourism organizations and agencies cooperating in the JMI has resulted in the decision to implement e-business functionality for the future tourism business unit (DMO) of the province ahead of the other business units. The WCTB acted on behalf of the future formally integrated tourism business unit that will serve the common interests of the City of Cape Town, the PGWC and the Western Cape tourism industry.

According to WCTB⁶², e-business vision and model aims of the e-business plan was to support the provincial overall strategy for the development of its tourism, through exploiting ICT's particularly to:

- ☞ realise the new market opportunities, to sell more tourism products and to provide effective and efficient friendly services to the visitors;

⁶⁰ Tourism Strategy. 2033. Cape Argus, 4 July: 5

⁶¹ Western Cape Tourism White Paper, (2000:40)

⁶² Tourism e-Business vision and model, (2002:2-3)

- ☛ enhance the performance and profitability of the tourism industry and
- ☛ maximise the productivity of the human resources invested within the province's tourism structures.

This strategic vision focused completely on integrated and multi-functional electronic-based destination systems that will enable represented tourism institutions and its key role partners to:

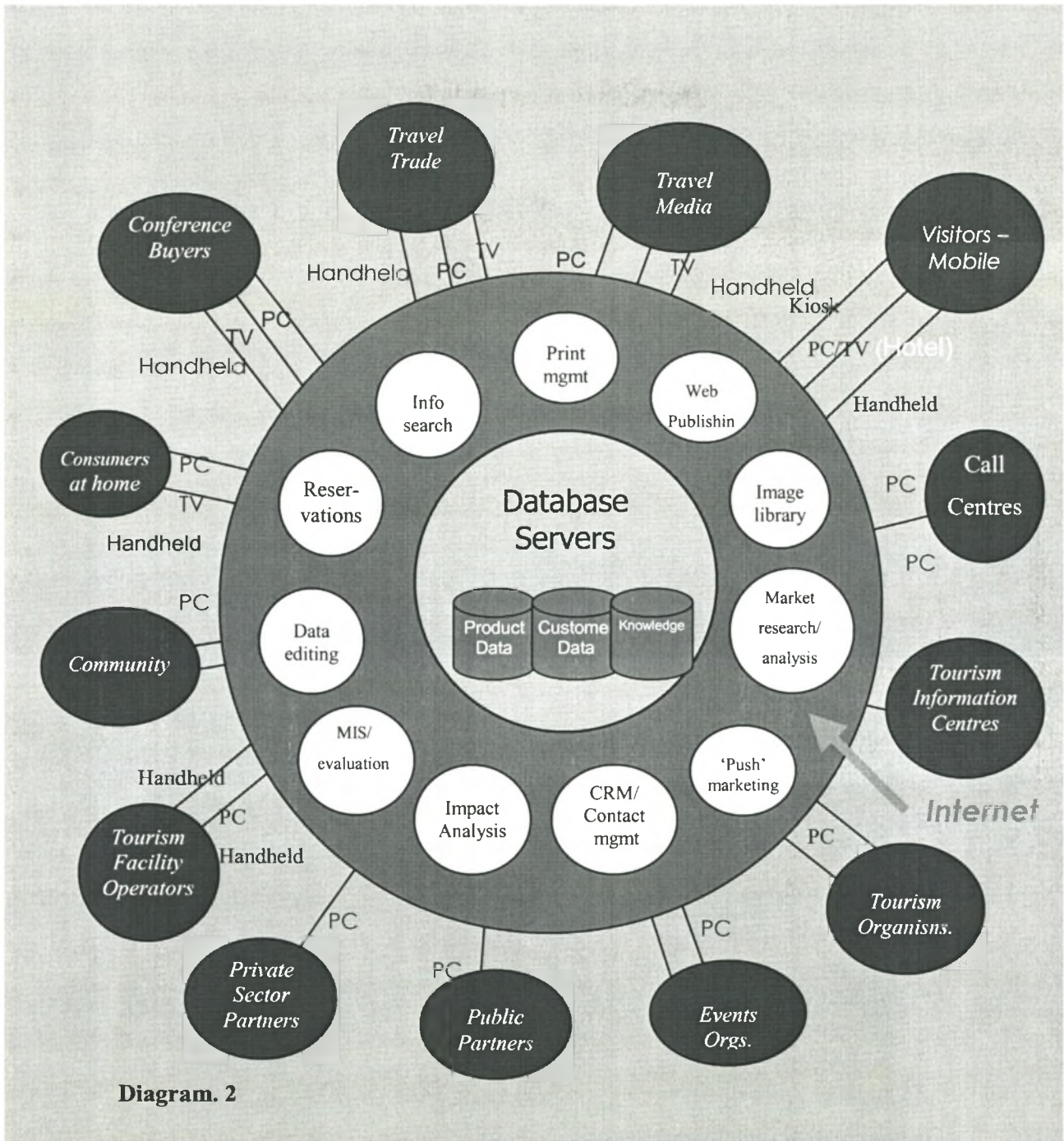
- ☛ be fully proficient in the ICT usage, and appropriately equipped to help to them undertake their business in the most efficient and effective ways;
- ☛ work together, using common systems and share databases, in order to maximize communications and make best use of the resources at their disposal.

As the Western Cape tourism e-business vision and model stipulated that a remarkable increase in the ICT systems used by tourism destination organizations are becoming Internet-based, with databases easily accessible to a wide variety of users across the Web⁶³ - the attention is increasingly focusing on the benefits of e-business systems application, rather than on the technology development aspect and this broad direction is highly appropriate for the Western Cape and South Africa as a whole as it is envisaged by the model.

The Western Cape tourism industry attained an accord to develop e-business systems strategy and a model to rejuvenate the developments of the e-business in particular the tourism marketing activities of the entire industry.

⁶³ Tourism e-Business vision and model, (2002:2-3)

The Western Cape Web-enabled e-business system model



The JMI in its e-business user requirements document suggests that an e-business concept model should be designed to provide a diagrammatic representation of a web-enabled e-business system⁶⁴.

The diagram above shows the generic user groups, (which in turn could be subdivided) with each accessing its own web interface and or gateway, potentially with its own separate URL and home page, through one or more channels, (PC, telephone, personal contact etc). At the heart of the model there are various databases such as the products, customers and knowledge. The gateway gives access to a variety of services and applications, which in turn will draw on the appropriate databases.

⁶⁴ WCTB/JMI e-business user requirements, (2002:3)

The Western Cape E-business conceptual model

The diagram below provides a diagrammatic representation of a web-enabled e-business system as designed by the WCTB to reflect integrated networks including the various communication channels that makes it very easy for the users to choose from variety of multi communication channels.

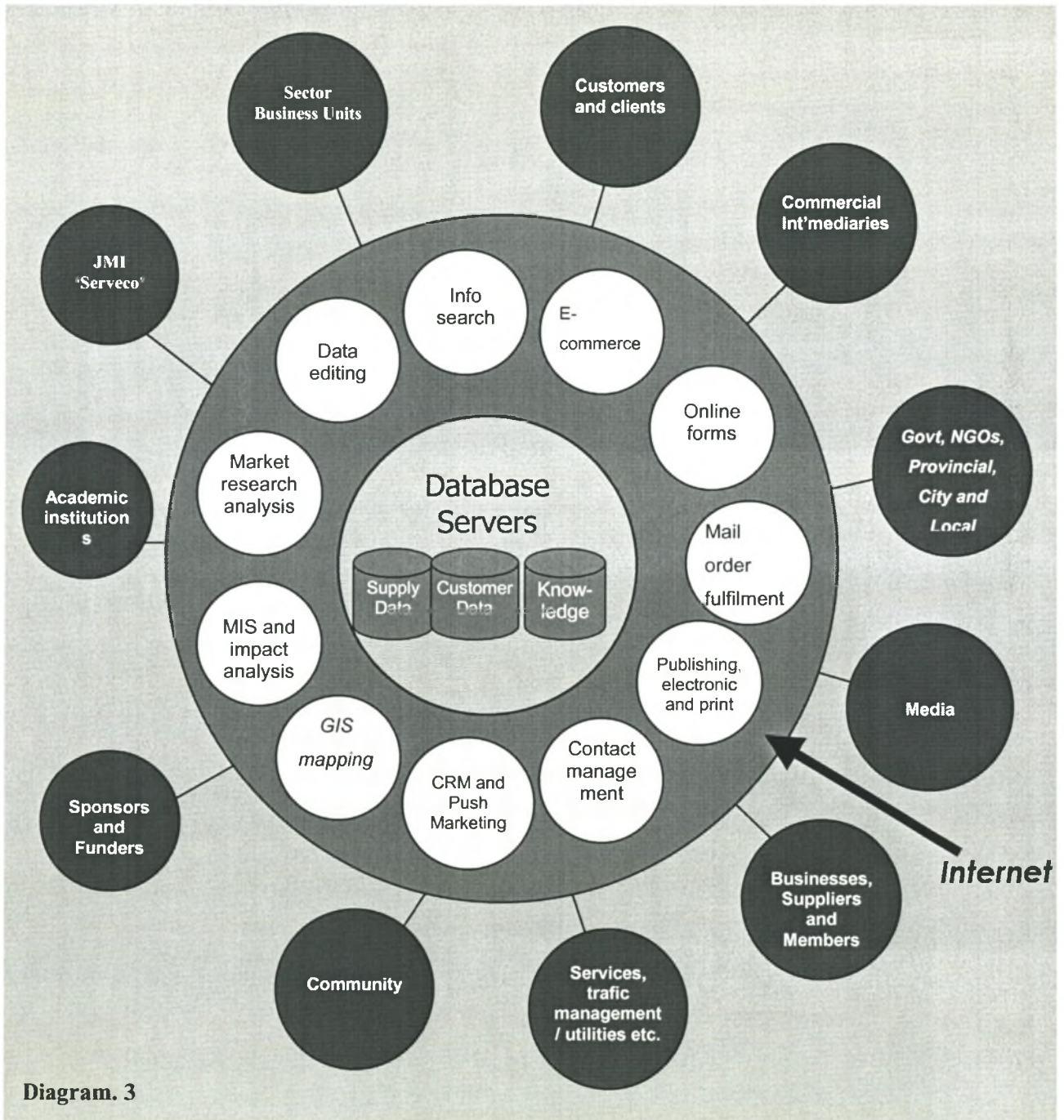


Diagram. 3

In support of the above diagrams outlining the Western Cape's e-business systems and multi-networks for the DMO, the question is who should form part of these integrated networks and how these selected tourism institutions should react and leverage themselves into a digital new challenges while aligning their approach to focus more on the tourists and customers' needs and expectations rather than solely on market demands and supply aspects.

The JMI e-business user requirements emphasised the usefulness of understanding e-business project of this nature with emphasis on the needs of the tourism business units, the systems and its functions. It could be designed and delivered in a way that will readily accommodate the anticipated needs of the other JMI business units/tourism institutions where similar systems or functions of the same nature could be needed by other business units within the tourism industry.

Regarding the marketing and relationship tools, which are of medium priority according to the tourism e-business project scope the Western Cape tourism network, intends to adopt a new business culture that is based on effective relationship management⁶⁵. Their primary need is to nurture relationships with the following audiences:

- ☞ Customers
- ☞ Providers
- ☞ Tour operators and Travel intermediaries
- ☞ Media

In its effort to leapfrog and fast track the project development, the WCTB tender/proposal procedure assigned and recommended prioritised requirements for phase one of the projects⁶⁶. However, the WCTB suggested that the requirements listed below should be read in conjunction with the core components listed earlier on above and other guidelines and principles contained within the tender documentation package:

- ☞ to create a central product database, which will enable the content to be maintained at the most local practical level
- ☞ to create a distributed membership database, through which all the network organizations can manage their relationships with the tourism product suppliers and track activity

⁶⁵ Tourism e-Business Project scope, (2002:9-10)

⁶⁶ WCTB tender/proposal procedure, (2002:5)

- ☞ to create a database structure for all organizations to capture, store and use their customer data, and maintain it within their own database
- ☞ to manage brochure and other materials fulfilment, including writing relevant information to the consumer database
- ☞ to create a new consumer facing destination web site for Cape Town and the Western Cape with the ability to drill down to the regions and local areas, via their own sites where they exist, or through sub sections of the main site where they don't
- ☞ to create a visitor servicing and reservations interface to enable customer enquiries and bookings to be serviced in a local bureau or by telephone
- ☞ to ensure that all monitoring and performance information is captured and stored for evaluation purposes
- ☞ to create bespoke web sites for the media, MICE organizers and travel trade to act as the primary communication and marketing tool for those audiences
- ☞ to create an industry network to share knowledge and act as a communications tool for the tourism industry

The WCTB is open to a range of potential kinds of proposals and ideas that could help capacitate the tourism business industry. The examples might include customised and developed e-business applications, modular systems and packaged applications, proprietary turnkey systems or others. It must, however, be noted that the ICT infrastructure on which e-business systems may be dependent upon be handled in one of several ways as the WCTB tender/proposal procedure has assigned:

- ☞ provided by the Provincial or City government at low or marginal cost
- ☞ purchased and managed by the future Joint Marketing Initiative organization
- ☞ outsourced under a facilities management contract or
- ☞ leased, along with use of the system software, from applications service providers.

The **diagram 4** outlines the interconnectivity and relationship of the DMO with the rest of the world.

WCDMO Network Model

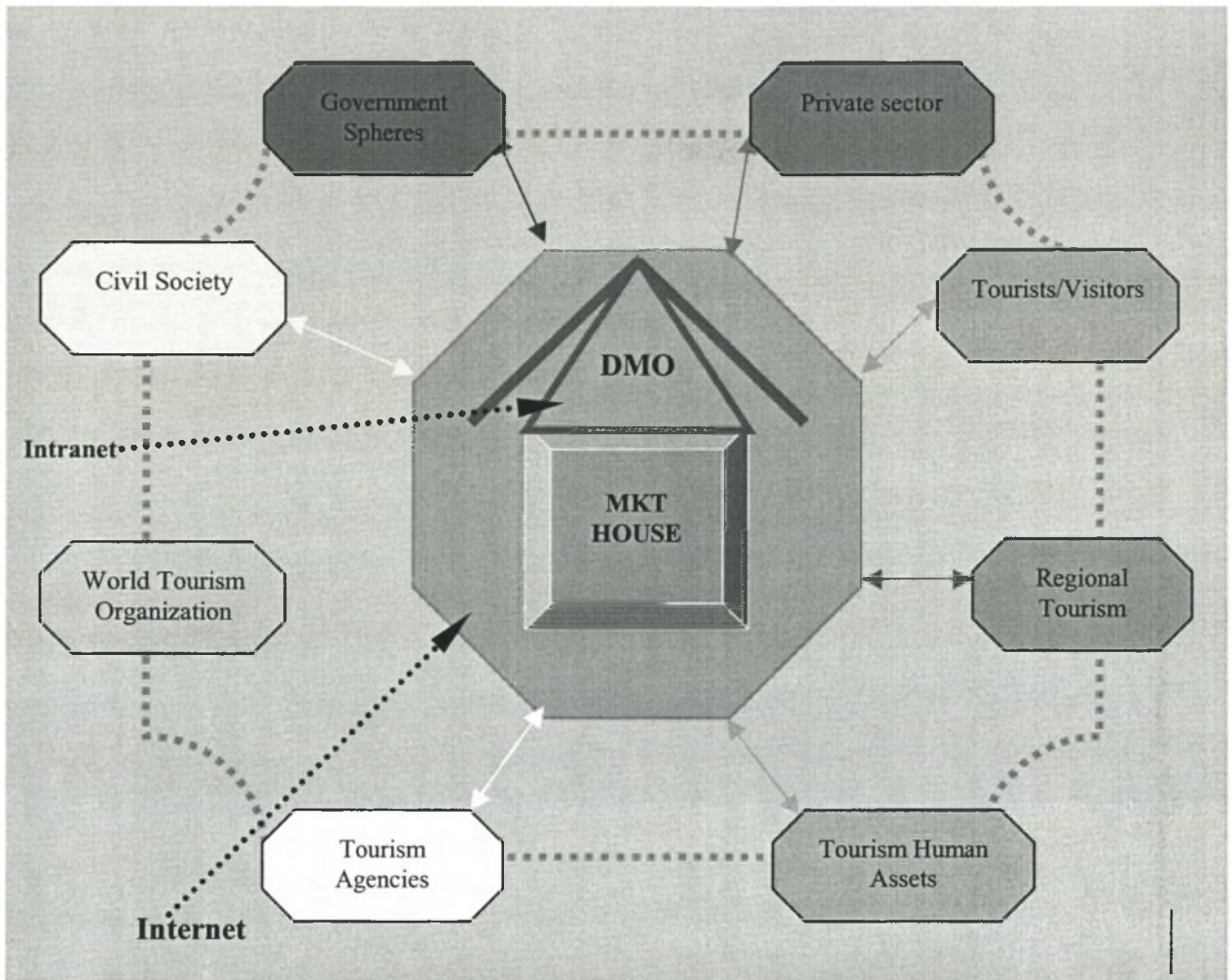


Diagram: 4

The diagram above proposes a collaborative institutional network model, which is comprised of the role players, the stakeholders and other tourism institutes that should network in an integrated manner. The model suggests that the proposed DMO should devise integrated e-business systems to allow the tourism operations to be conducted easily and better to a wider community. The model also suggests that these tourism institutions should use the same networking framework for local, provincial, national, regional and global marketing of the tourism products and services. It suggests that the DMO in the Western Cape should commit itself in a co-evolving partnership with other role-players involved in tourism marketing operations in order to sustain its growth and development.

The role-players are

- Government
- Regional Tourism
- Tourism Agencies
- World Tourism Organisation
- Private Sector
- Civil Society
- Tourists and Visitors
- Tourism Human Assets

It is imperative for the Western Cape tourism WCTDMO to drive the e-business initiatives constructively so as to promote sustainable collaboration of these institutions in joint partnership. The Western Cape should strive towards fulfilling its strengths of being a gateway (entry point) to South and Southern Africa through Cape Town becoming a tourism launch pad to Africa and becoming a single stop international holiday destination.

If the Western Cape has to capitalise on its popular world recognised brand image “CAPE TOWN” as an international tourism magnet, it is imperative for the WCTDMO to establish a conducive and enabling environment for all the Western Cape tourism role-players including the selected tourism institutions as per study requirement. For instance, it should be easy and possible for a tourist based in Cape Town to enquire information about the Kruger National Park in Mpumalanga Province and book accommodation and select appropriate menus as well through ERP and knowledge management systems without physical going there.

A foreign visitor may wish to visit a rural based *Bed and Breakfast* in the outskirts of East London to experience life and for accommodation and fun – it should be easy for a Cape Town based tourism official to search through the net using the e-business systems that are devised for adventurous purpose such as the DESIGN BASE website⁶⁷. The WCTDMO should consider publishing packaged tours through an integrated e-business systems to WTO offices, regional offices with South African Development Community (SADC) and South African Customs Union (SACU) countries and also, to its old customers (previous visitors) while also using push technologies to sell Western Cape tourism products and services worldwide.

The tourism industry in the Western Cape will have to focus mostly on the above competitive advantages and should derive new opportunities that will best exploit and harness electronic business systems for the benefit of the entire industry within and across the South African Development Cooperation (SADC) for both competitive and collaborative advantages.

⁶⁷ Design Base. 2003. [online] Available. <http://www.designbase.co/francois2.html>

6) The Research Methodology

The study is a combination of both qualitative and quantitative techniques. It contains both the elements of exploratory qualitative and quantitative research, generated by carrying out in depth interviews to a selected group of institutions and also using a questionnaire as an alternative method.

The descriptive approach as opposed to the causal approach would be preferred, as it would suitably describe the current status quo of these institutions in electronic business systems application without attempting to influence or change the research environment in which the research problem resides as Huberman and Miles argue, quoted by Shanil & Roland)⁶⁸.

A causal research requires an active intervention by manipulating aspects of the system, to observe the effects of the changes made, and in the context of the knowledge management assessment, was unlikely to yield reliable results within the scope of the research period. The descriptive design is open to the examination of statistical associations and patterns between the system attributes.

This chapter focuses firstly on this study's assumptions, respondents' population information, data collection and data analysis.

6.1 Assumptions

- ☞ The number of people interviewed is a good reflection of the executive tourism population.
- ☞ The decision to select the top structure of the tourism industry to gather qualitative information, which is relevant and reliable.
- ☞ The top executive opinion usually gives a good indication and accurate reflection of the views of the organisations.
- ☞ For strong deductions purposes pertinent to findings, a condition that two columns of the likert scale could be considered as a positive indicator for the level of the readiness by the respondents.

⁶⁸ Shanil & Roland, (2001:47)

- ☞ In-depth structured interviews alternatively supported by a modified questionnaire would be best methods to gather *relevant and quality* data as pertinent to the readiness of the selected institutions.
- ☞ The private sector would be more ready than the public sector.

6.2 Respondents' population information

The scope of the research was restricted to the chosen organizations and the institutions that have been selected for readiness research purposes as shown *in table 1*. The study focuses on the selected group of institutions within the Western Cape tourism industry. Twenty-four institutions out of thirty in the Western Cape tourism industry were selected for the purpose of the study. In brief terms, the study targeted eight RTO's; Cape Town based LTBs and organisations serving in the WCDMO initiatives. Each institution had its manager interviewed. The PGWC has got the Chief Director and the Director whose involvements in the WCTDMO process played a huge facilitation role. Due to the time constraints of the project, at least one manager from each organisation was interviewed.

The other public sector institutions included in the study are City of Cape Town and the WCTB. The RTOs were included in the selection simple because of the geographical allocations of their constituencies, which covers almost all the LTBs. The RTOs represent key major district tourism offices within the Province. Even though the tourism bureaus in the Western Cape were not selected except for those that had representation in the WCTDMO board.

Their inclusion in this study was also vital as part of the assessment, hence that the members of the Board itself were nominated on the basis of their institutions' role, contribution and the capacity to be at the forefront of the DMO Board. The WCDMO has members from diverse tourism categories from both public and private sectors and their involvement was critical in the institutional development of the industry and was centrally implicated in the tourism marketing of Cape Town and the entire province.

The Western Cape tourism industry consists of various institutions, agencies and small businesses that are competitively marketing Cape Town and their individual areas. The selected tourism institutions for this study are as follows:

- ☞ WCTB

- ☞ PGWC
- ☞ City of Cape Town
- ☞ RTOs and
- ☞ Institutions whose managers were involved in the DMO process

6.2.1 The Selected Institutions

Organisation	Interviewees & their relevancy to the study	Interviewees' Portfolio	No.
PGWC	Tourism Chief Director Tourism Development Director	Western Cape Government Tourism Policy Development DMO key role players	2
City of Cape Town	Director ICT/e-business	Cape Town Tourism Strategy	1
WCTB	E-business Manager	WC Tourism E-business Strategy DMO – E-business Modeling	1
RTOs			
Breede River Valley	RTO's	Regional coordinator	1
Cape Metropolitan Tourism	RTO's	Regional coordinator	1
Central Karoo	RTO's	Regional coordinator	1
Garden Route & Klein Karoo	RTO's	Regional coordinator	1
Klein Karoo (Kannaland)	RTO's	Regional coordinator	1
Overberg	RTO's	Regional coordinator	1
West Coast	RTO's	Regional coordinator	1
Winelands	RTO's	Regional coordinator	1
WCDMO Board Company's Representation	WCTDMO's Portfolio	Company's Portfolio	
Airports Company SA	Chairperson	General Manager	1
V & A Waterfront	Corporate Governance Vice Chairperson	Managing Director	1
Protea Hotels Group	Conventions & Incentives Advisory Committee – Vice Chair	Chairman & Managing Director	1

Independent Development Consultant	Conventions & Incentives Advisory Committee – Vice Chair	Former IDT Regional Manager	1
FEDHASA & Ambassador Group	Leisure Advisory Committee Chair	Chairperson & Managing Director	1
Featherbed Nature Reserve Knysna Tourism Bureau	Leisure Advisory Committee Vice Chair	Owner Member	1
Peninsula Tourism DeGoede Hoop Group of Companies	Visitor Services Advisory Committee Chair	Chairman of Peninsula Tourism & MD of deGoed Hoop Group of Companies	1
SA Brandy Foundation Stellenbosch Tourism Bureau	Visitor Services Advisory Committee Vice Chair	Chairperson of Tourism Bureau	1
Eden District Municipality WECLOGO	Events Advisory Committee Chair	Executive Mayor Chairman	1
South African Airways Customer Relations	Events Advisory Committee Vice Chair	Executive Vice President	1
Excel Management Services WEBCOF Cape Peninsula National Parks	Product Development Advisory Committee Chair	Managing Director Member Chairperson	1
Uniglobe Duma Travel	Product Development Advisory Committee Chair	Managing Director	1
Table. 1			24

6.3.1 The research instruments: *Data collection*

Theoretical underpinning

To gain an understanding of the conceptual models and theoretical constructs of electronic business research dynamics, this study began with desktop research that is a comprehensive review of available literature, both from traditional and electronic sources of which secondary data was researched and found to have a significant value for the study contribution. The essential data was collated from the relevant books, institutional publications, and other manual copies were consulted and reviewed to gather information needed to verify the research problem and possible accomplish the study⁶⁹.

The Western Cape existing sources such as the government policy documents, PGWC White Papers, marketing strategies and institutional marketing reports on tourism and the Western Cape economic development and growth were also consulted. Information was also received from the key relevant people in events marketing, leisure marketing, MICE marketing, that seem to be affected by the DMO process TMSIP⁷⁰. A vast quality search of the relevant information in both fields of tourism industry and e-business systems were collected on the Internet. The institutional websites, portals and online articles were also reviewed and used as sources of information.

6.3.2 *Structured Questionnaire*

As the idea was to assess whether these institutions are ready to be part of an integrated networking environment where tourism business operations are conducted over the net (digital business and networking). Initially, a questionnaire consisting of structured and logical questions designed to accumulate relevant data was developed. It was used to direct responses from various respondents and to obtain the opinions of the relevant people involved in the tourism marketing of the Western Cape products and services within the selected tourism institutions regarding their readiness on electronic business systems application. It was also distributed to those respondents who had time constraints and were

⁶⁹ Welman & Kruger, (1999:261) argues that the development of the Internet, electronic publications and general communications capabilities all changed the way in which researchers work. Libraries' publications (manual) are not longer the only sources to get information needed for the research.

⁷⁰ TMSIP, (2002:xvi)

not available for interviews. Only thirty percent of the respondents used this method and the rest were interviewed.

The design of the questionnaire (i.e., a fixed response format) is preferred over the unstructured (or open-ended questionnaire), because it has considered simpler to structure the data for analysis.

The questionnaire was piloted among peers within the Chief Directorate Tourism in the Department of Economic Development and Tourism to obtain the feedback on the relevance of the questions (length of time, degree of difficulty, etc.) as well as on possible amendments. A contact number was also placed at the end of the questionnaire in case of any difficulties that may occur. Forty of one hundred and three questions used in the survey were adapted from the electronic business systems' readiness diagnostics designed by the BDC Consulting Group⁷¹.

The diagnostic questionnaire consisted of questions that were designed to determine the readiness of the selected institutions in implementing electronic business system applications. The questions were designed to assess the various electronic business practices and institutions' readiness and were grouped accordingly as follows:

<i>Information design questions assessment table</i>	
Questions 1- 7 represent <i>general & personal</i>	Questions 25 - 28 represent <i>Suppliers</i>
Questions 8 - 9 represent <i>ICT status</i>	Questions 29 - 33 represent <i>Personnel</i>
Questions 10 - 15 represent <i>Management</i>	Questions 34 - 35 represent <i>Process</i>
Questions 16 - 19 represent <i>Customers</i>	Questions 36 - 37 represent <i>Profitability</i>
Questions 20 - 21 represent <i>Competition</i>	Questions 38 - 40 represent <i>Urgency</i>
Questions 22- 24 represent <i>Fulfillment</i>	

Table. 2

⁷¹ BDC. [online]. Available: <http://www2.bdc.ca/consulting/default.asp?lang=en&surveyID=2>

The Question Ratings convert to the Likert scores would be as follows

Answer	Likert Score	Average score per set of 15 questions	Inference	
Disagree strongly	1		1	Very low
Disagree	2		2	Low
Uncertain	3		3	Moderate
Agree	4		4	High
Agree strongly	5		5	Very high

Table. 3

6.3.3 In-depth Interviews

The exploratory side of the research, namely, the in-depth interviews, is based on grounded theory, which is commonly regarded to be explicit emergently. It does not necessarily test hypotheses but rather sets out to find what theory accounts for the research situation as it is. In this respect it is like action research whose aim is to understand the research situation and to discover the theory implicit in the observations and data.

The strength of this method is that the researcher can shift the focus of the study as the data is collected, as it is quite common that the outcome will be unknown as the start, so the direction may change in accordance with the kinds of information gathered Huberman and Miles, 1994 as Shanil & Roland argue⁷².

The general goal of the grounded theory research is to construct theories in order to understand the phenomena, i.e. the recurrent general features of the world that we seek to understand. A good grounded theory is one that is: inductively derived from data, subjected to theoretical elaboration, and judged adequate to its domain with respect to a number of evaluative criteria argues Mouton and Marais, 1991 (as quoted by Shanil & Roland)⁷³.

Welman, & Kruger attempt to explain a qualitative research in more details⁷⁴. Even though a research of this nature is difficult at an early stage to explicitly specify, Mouton argues that a qualitative research is usually worked out during the course of the study, and it changes as

⁷² Shanil & Roland, (2001:40 & 41)
Ibid., p. 41.

one learns from interviewing⁷⁵. A qualitative method involves exploration; the first step in inquiry and the quantitative methods involve verifying the last step. Although preliminary exploration is usually necessary and always helpful, exploration also requires verification.

The weakness of verification alone is that since experiments and other standardized formats (such as the scale and the standardized interview) are narrow and rigid, one needs to have considerable knowledge before an adequate testing procedure can be designed. When combined with qualitative methods, part/whole morphology can be used to approach seemingly intractable problems in the human world, generating comprehensive hypotheses to the point that they might be tested. When combined with quantitative methods, the same two steps can lead to the comprehensive testing of the hypotheses they generate.

The qualitative studies are geared towards face validity only, neglecting reliability. The face validity is important as it means that an analysis of the meaning can be related to ordinary language, a vast repository for understanding the complexity and subtlety of human expressions even though the ordinary language is also a repository of bias, a bastion of the cultural status quo. The face validity alone can never be a sufficient basis for determining meaning argue Mouton & Marais, 1991(as quoted by Shanil and Roland). The quantitative studies are oriented towards reliability, neglect validity as reliability is also of great importance as it ensures repeatability, even though erroneous procedures can be repeated, as easily as correct ones, reliability alone also cannot be a sufficient basis for determining meaning.

6.3.3.1 Interview Protocol

The purpose of the in-depth interviews was to obtain information that will provide some insight into these institutions' background and help them to relate their background to the research topic for clarity and readiness purposes.

⁷⁴ Welman, J.C. & Kruger, S. J., (1999:77)

⁷⁵ Mouton, (2001:195)

The objectives of the interview questions were as follows:

- ☞ To obtain a general overview of the current status of the e-business systems application practices.
- ☞ To refine the design of the framework

The meetings were arranged at least one week in advance, and were confirmed telephonically on the day of the interview. The personal interview approach was chosen on the basis that it allows the researcher and give him enough scope to sense the cultural climate within the organizations.

However, Welman & Kruger argue that, it is usually impossible to compile a schedule for interviews⁷⁶; and also suggests that flexibility and adaptability are great advantages of a personal interview while also in full control of the interview situation Welman & Kruger⁷⁷. Possible stumbling blocks and difficulties were envisaged to be based on the availability of the interviewees and respondents in giving the feedback required as solicited in questionnaire.

6.4 Data analysis

The Microsoft office applications such as Ms Word (for saving the data, which was later converted, to Ms Excel for categorical analysis. *Ms Project* was also used for project time management and work breakdown structure purposes and for enabling support in providing analytical reports about the project and tasks at hand.

The data collected in above applications was then sent to data analyst experts for systematic analysis and interpretation. In receipt of analysed data in Anova and histograms (diagrams), it was interpreted and processed for findings.

6.5 Evaluation

Once all the necessary data have been obtained and evaluated, the findings will be interpreted and synthesized and possible recommendation will be forwarded to the DMO for perusal purposes.

⁷⁶ Welman & Kruger, (1999:196)

⁷⁷ Welman & Kruger, (1999:164)

6.6 *Conclusion*

This chapter has examined a variety of issues associated with methodological orientation, choosing research methodology, collecting data and identifying limitations of the process. It began by providing a rationale for the study and briefly discussed the methodology to be used and why. It also looked at the guidelines associated with the use of personal in-depth interviews and diagnostic questionnaire. In conclusion, it looked at the limitations of this survey.

The next chapter will give overview of some of the findings of the modified questionnaire and in-depth structured interviews on the effect of the demographic factors on the perceptions of the respondents.

7) Findings

In the survey research, targeted respondents assume the role of a key informant, and provide information on an aggregated unit of analysis, by reporting on organizational properties rather than personal attitudes and behaviours. Similarly, this approach was adopted by selecting executives and senior managers as the key informants about the application of the e-business systems within their organisations⁷⁸. According to Botha and Fouche⁷⁹ also support the perspective of Hambrick and Mason as reported by Marchand, Kettinger and Rollins that an organisation becomes a reflection over time of the values and views of its top executives.

The theoretical and empirical investigations were conducted to make a meaningful contribution to the strategic restructuring of tourism industry in the Western Cape, by critically analysing the readiness of the selected tourism institutions in implementing electronic business systems' application in the province.

7.1 Part one of the Questionnaire

7.1.1 *Geographic profile of the respondents in average percentage*

A geographic approach was used in analysing data to cover all the RTOs within the Western Cape province. The regional representation of the selected tourism institutions was considered to analyse the readiness of these institutes in the Western Cape. The province is divided into eight regions, which served as a universe for this study. This resulted in the following regional profile.

Fifty-eight percent (58%) of the respondents were from the Cape Metropolitan Area, 5% were from the Central Karoo, 21% were from the Garden Route/Klein Karoo (including Kannaland), 5% were from the Winelands, 0% were from the Overberg, 5% were from the West Coast, 5% were from the Breede River Valley, and at the provincial level (PGWC), there were 11% representation. The geographic profile of the respondents can be summarised in diagram 5 below as follows:

⁷⁸ Botha, D.F. & Fouche, B. (2002:16)

⁷⁹ *ibid.*, p.16

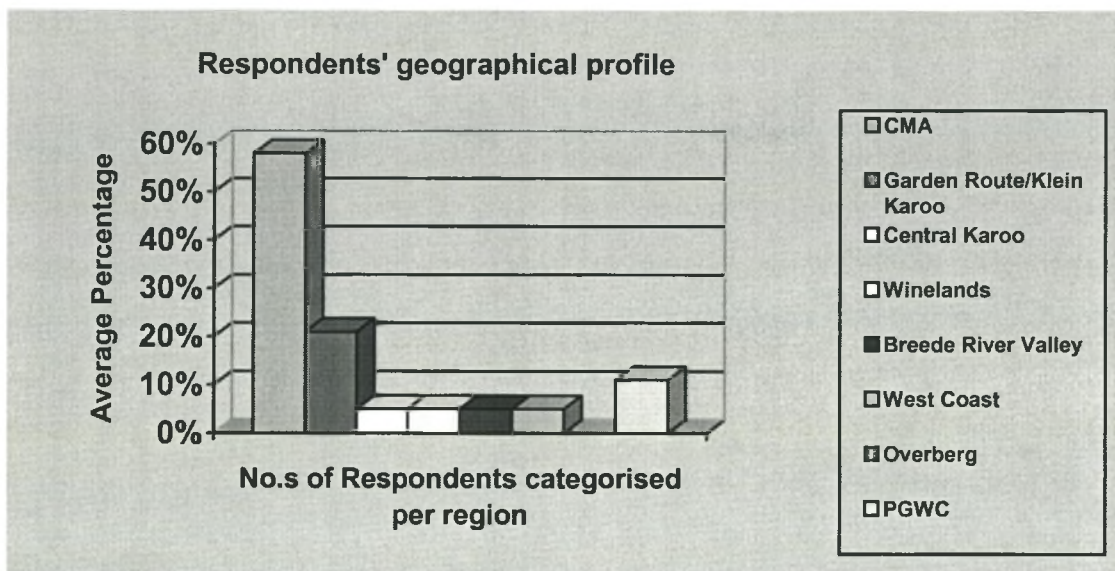


Diagram. 5

7.1.2 Respondents' job designation status:

A significant part of the success of any organisation can be attributed to good management and organisation. This can be attained through people who are in senior positions. The respondents' designation status within the selected tourism institutions in the Western Cape was as follows:

Roughly, sixty percent (60%) of the respondents were at top management level, 32% were senior management, almost 8% were junior management and there were no administrators. The job designation status can be summarised as follows: Diagram 7 & 8 summarises the findings.

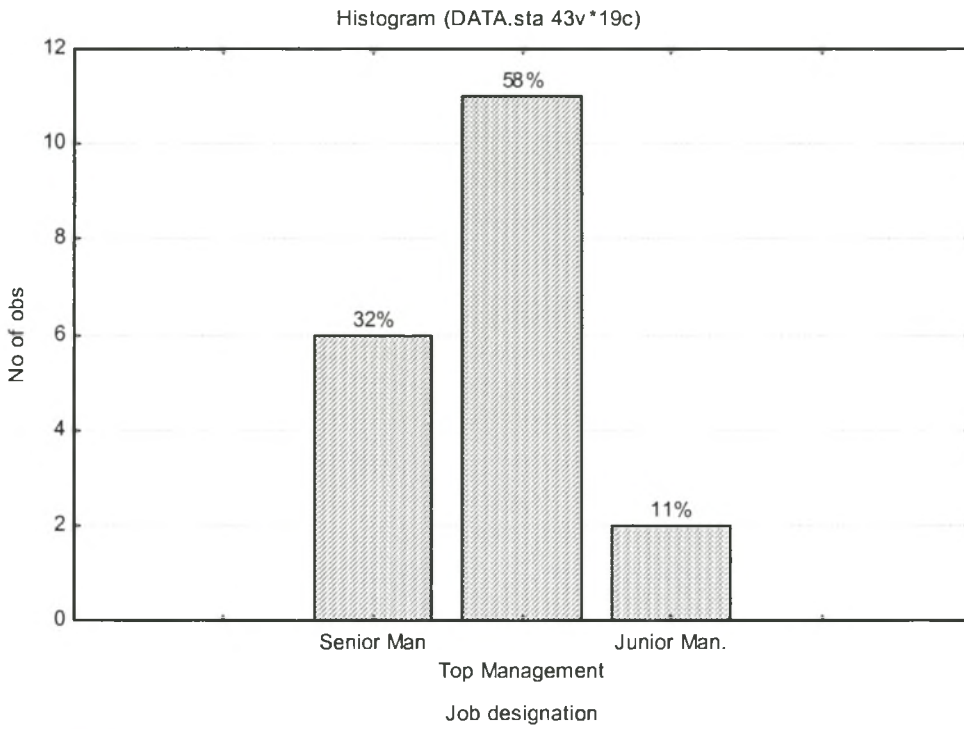


Diagram. 6

7.1.3 Respondents' Work Duration (Length)

Forty-two (42%) of the respondents had less than five years in their positions. 32% of the respondents had more than ten years of work in their current positions. Twenty-one (21%) had less than three years of working and only five (5%) had less than ten years of working.

This could be summarised as follows:

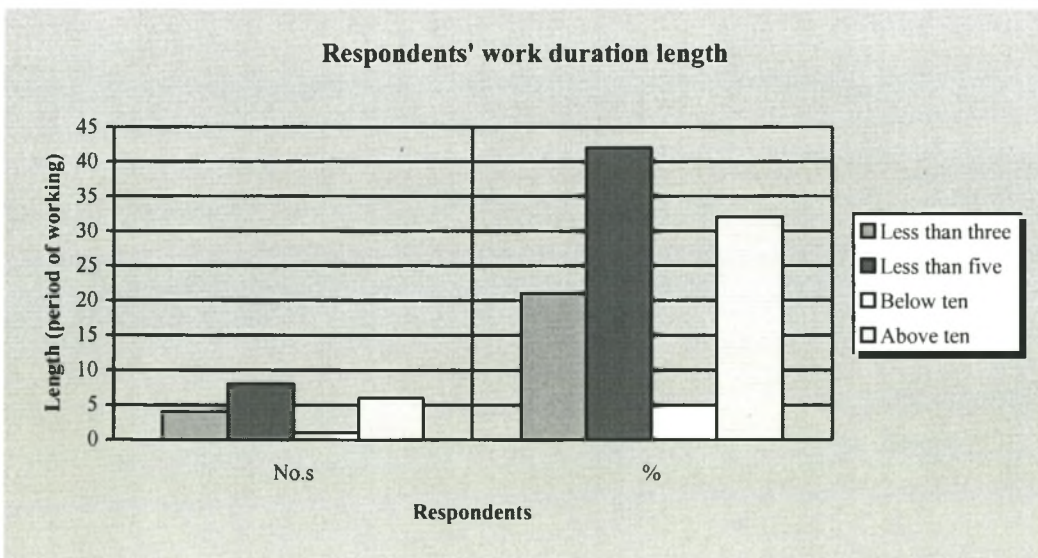


Diagram. 7

7.1.4 Respondents' Sector/ Fields of work

The respondents of the study were largely represented in terms of the sector fields. The respondents were from, Government (42%); Private sector (37%); Tourism Agency (10.5%) and Tourism Information Centre (10.5%).

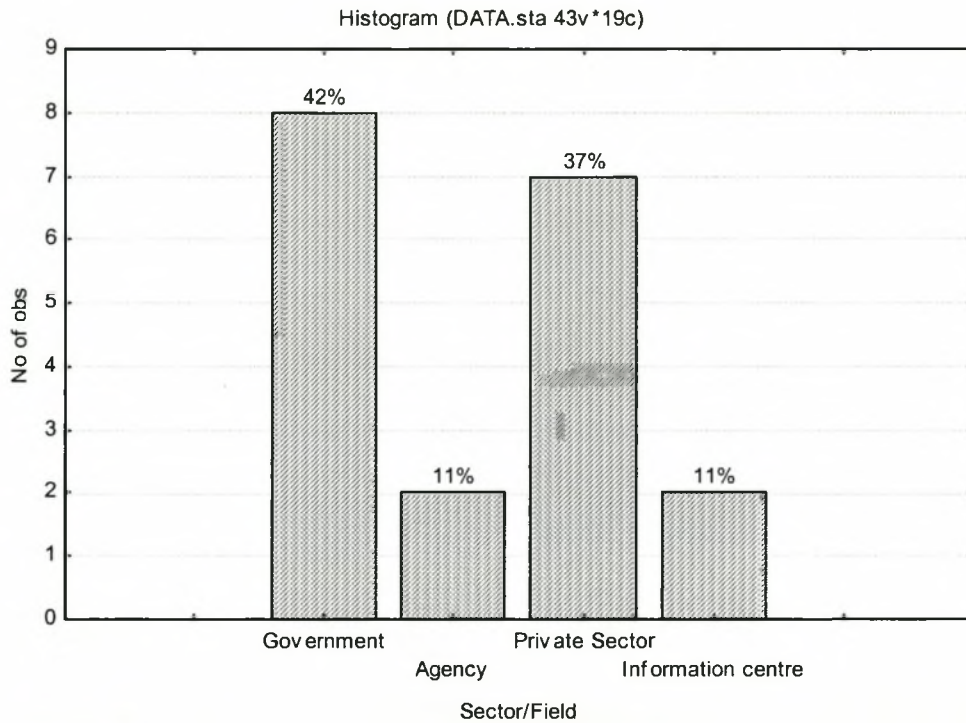


Diagram. 8

7.1.5 Respondents' familiarity with e-business practice - herewith referred to as e-bus insight

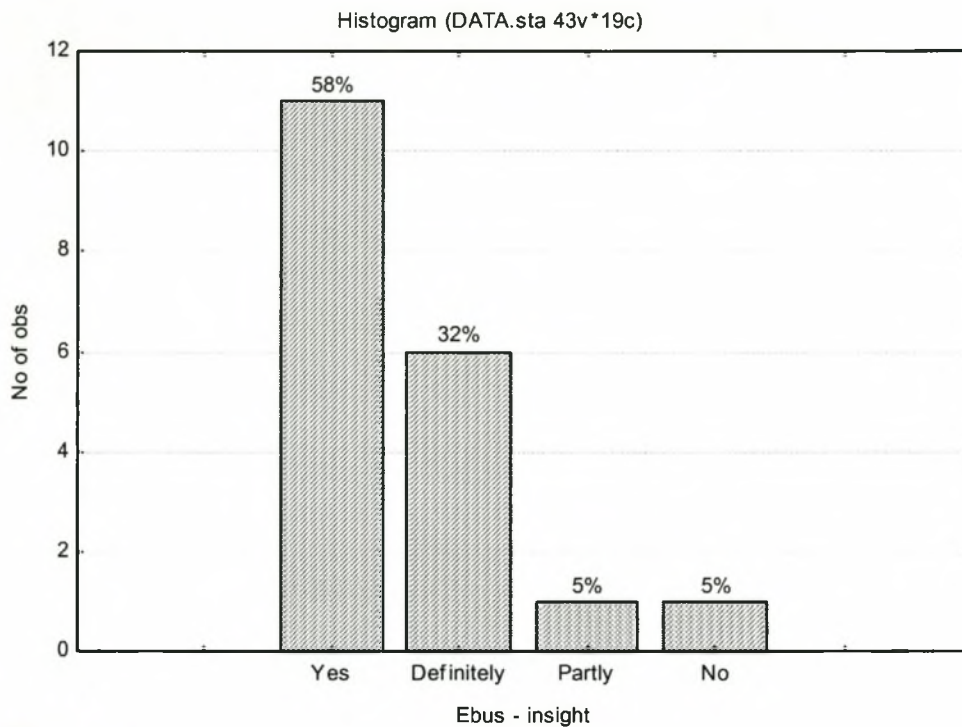


Diagram. 9

The e-business concept is relatively new in South Africa in particular in the tourism industry of the western Cape. It has evolved over the last five years and is steadily reshaping the tourism business routine operations conduct. Ever since its evolution, it has changed the way in which businesses operate. As a result of its advent and that of the Internet, tourism institutions worldwide are leapfrogging in implementing the e-business system applications.

In respect to the selected tourism institutions in this study, the respondents were asked if they are familiar with its practice and whether they understand its benefits, principles and trends. In other words, the question was aimed at determining their knowledge and insight in e-business concept and its practice. The above diagram summarises the findings. Thirty-two percent (32%) of the respondents were definitely familiar with the practice, 58% said, they were familiar, 5% were partly familiar while another 5% indicated they were not familiar at all with the practice of e-business.

7.1.6 Respondents' understanding of e-business benefits, trends, applications – herewith referred to as e-bus knowledge

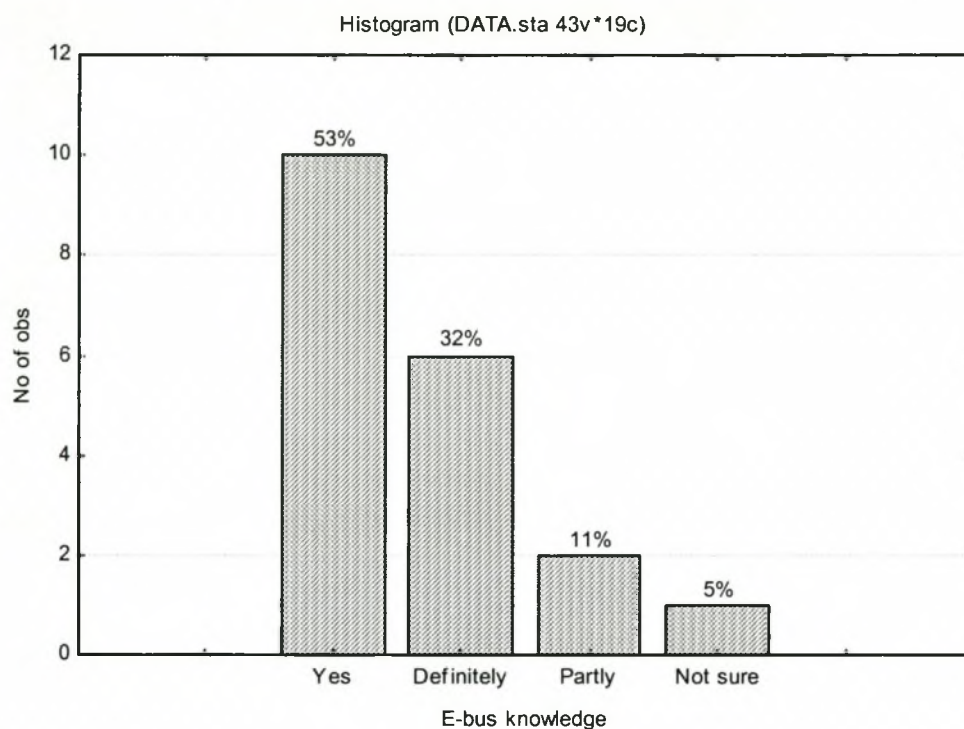


Diagram. 10

The above diagram demonstrates the knowledge of the respondents about the benefits of e-business, its trends, applications and current models. Again, thirty-two percent (32%) were definitely knowledgeable about the e-business dynamic aspects and its trends, 53% indicated, they were knowledgeable, 11% were partly knowledgeable while 5% was still unclear and not knowledgeable about the e-bus trends and distinctive benefits.

Briefly, it is clear from the above statistical analysis and interpretation that most of the respondents are familiar about the benefits of the e-business and that their understanding was steadily gaining momentum. Almost 80% of the respondents had knowledge and insight about the concept of e-business, its major role and impact and its trendy models and integrated applications. Later on, correlation of dependency and independent factors shall be determined. The idea shall be to test and validate the interrelationships and inter-linkages between those variables and other variable factors.

7.1.7 Bandwidth connectivity

As the cost of access to the Internet is decreasing while the speed of access is increasingly increasing, the bandwidth and connectivity offerings that connect the businesses to the Internet with reliability allowing businesses to move information from source to destination virtually anywhere around the globe, any applications running that use the Internet are optimised for performance to improve productivity due to increased speed and up time. The expensive cost of the bandwidth and Internet connectivity in South Africa refutes the above statement. As for the Western Cape tourism industry, this could be one of the challenges facing the businesses particularly the small to medium sized businesses. Nevertheless, the respondents were asked about the duration time their web site went online.

The diagram below summarises the findings as follow:

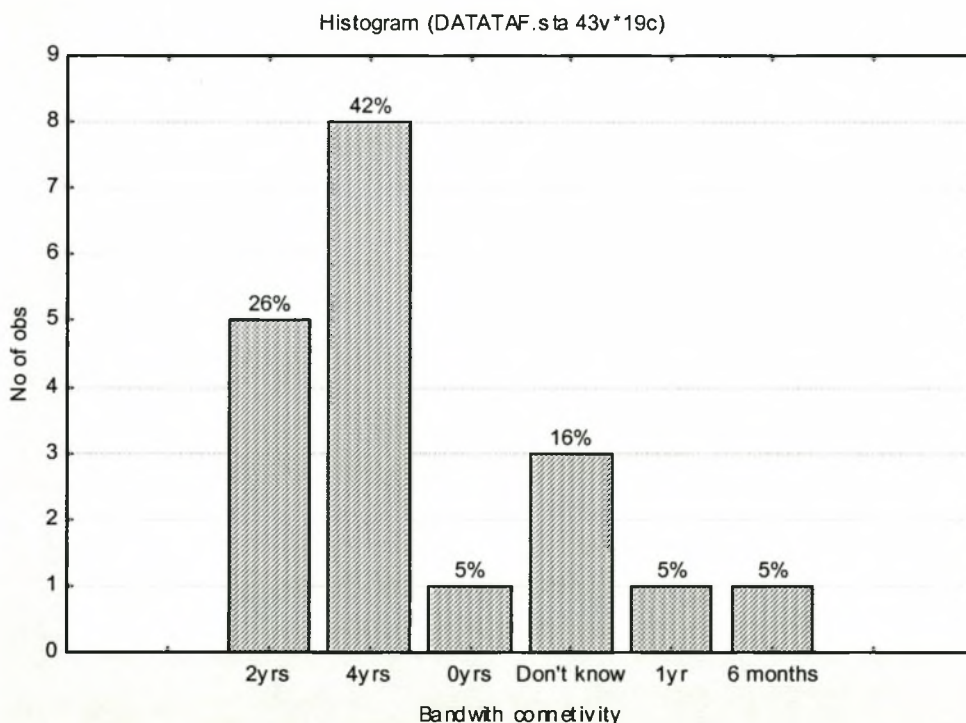


Diagram. 11

Forty-two percent (42%) of the respondents indicated that their website went online in the last four years, 26% in the last two years, 16% did not know when was their institutions' website went online, while 5% indicated that their website went online in the last six months and the other one in the last one year respectively. Only 5% did not respond and is indicated by zero years in the above diagram.

7.1.8 Web site update

The web site is about the content that should be managed and presented accurately, in a user-friendly style for easy access and convenient retrieval of the information. The frequent update of the website determines the level of timeously, up-to-date and current information about the news and the events recently occurred. When asked about their website update, the majority of the respondents (26%) did not know when their website update is, a consecutive 21% updates their website on a daily; monthly and annually basis respectively, while 11% updates their website on a weekly basis. The diagram below demonstrates the findings as follows:

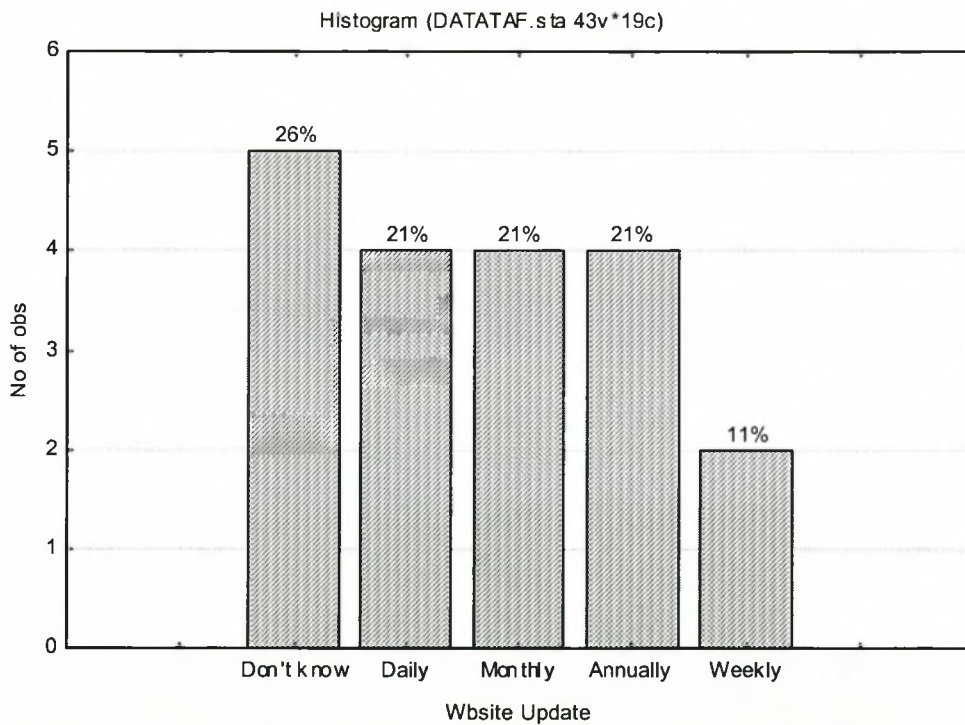


Diagram. 12

7.2 Part two of the Questionnaire

The likert design based questionnaire

It was designed and structured systematically to reflect almost all the key elements of e-business readiness assessment as envisaged by the study. It has been clustered according to the following key major readiness variables that were used to acquire the relevant data that would best describe the respondents' status quo.

- 👉 ICT status
- 👉 Management
- 👉 Customers
- 👉 Suppliers
- 👉 Competition
- 👉 Fulfilment
- 👉 Process
- 👉 Personnel
- 👉 Profitability
- 👉 Urgency

7.2.1 ICT Access

Access to ICTs is deemed to be important. Doing business online requires access to ICT equipment including both enabling hardware and software. ICTs is playing a huge role in conducting business much more easy, effective and efficient. Any institution should at least possess ICTs to be deemed ready to embark on electronic business practice. The respondents were asked to indicate their level of readiness in all the dimensional variables listed on the tables below.

The summary of the findings is listed in all the tables constructed below. An analysis of the findings is simultaneously done below each table, also covering the demonstrations in diagrams. With regard to the likert score and inference, 1 – 5 (likert score) has been used in the diagrams below to indicate the level of the likert and inference scores. The numbers in tables are in percentages.

Question Numbers	Electronic business systems readiness diagnostic	Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
8	Our employees have access to the ICT equipment at work.					
9	We have the internal capabilities to meet all of our ICT needs.					

Table. 4

In the *diagram 13*, respondents were asked about their ICT status, 47% agreed strongly with very high inference, another 47% with high inference agreed. Only 5% were uncertain. This indicates a high level of ICT accessibility 18 out of 19 respondents. The results show that 18 respondents' institutions were ready to implement e-business systems application and one respondent was not ready.

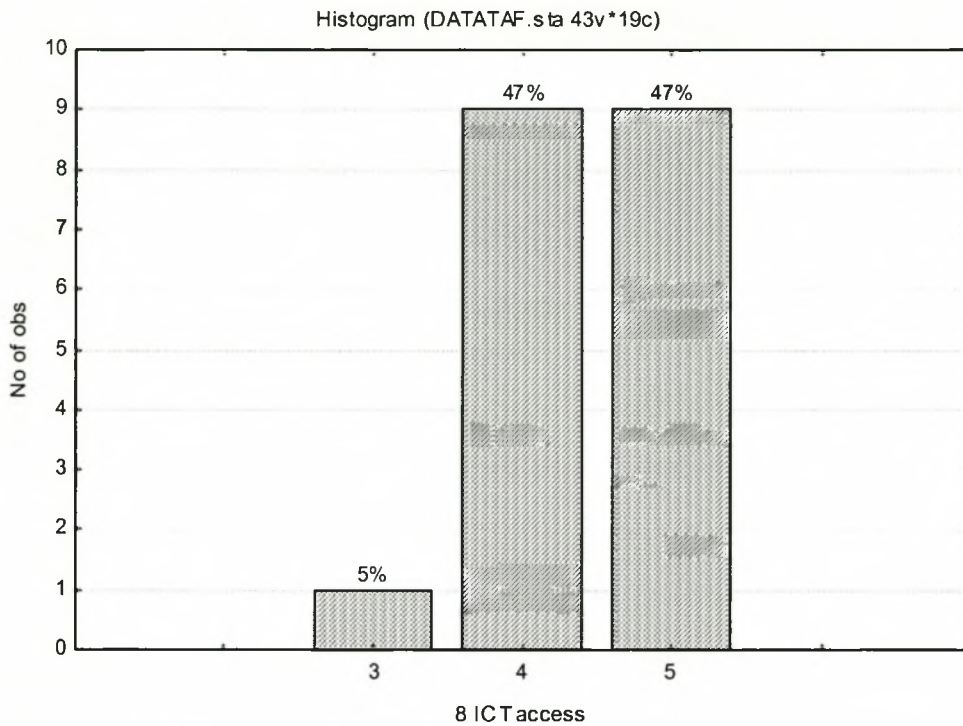


Diagram. 13

In the *diagram 14* below, respondents were asked about their internal capabilities in ICT (herewith referred to as IT cap). 16% percent agreed strongly with very high inference, 68% agreed with high inference, 11% disagreed with low inference, 5% disagree strongly with very low inference while none of them were uncertain. Roughly 16 respondents' institutions had ICT internal capability, 3 respondents are not ready due to internal inability in ICT to meet all their needs.

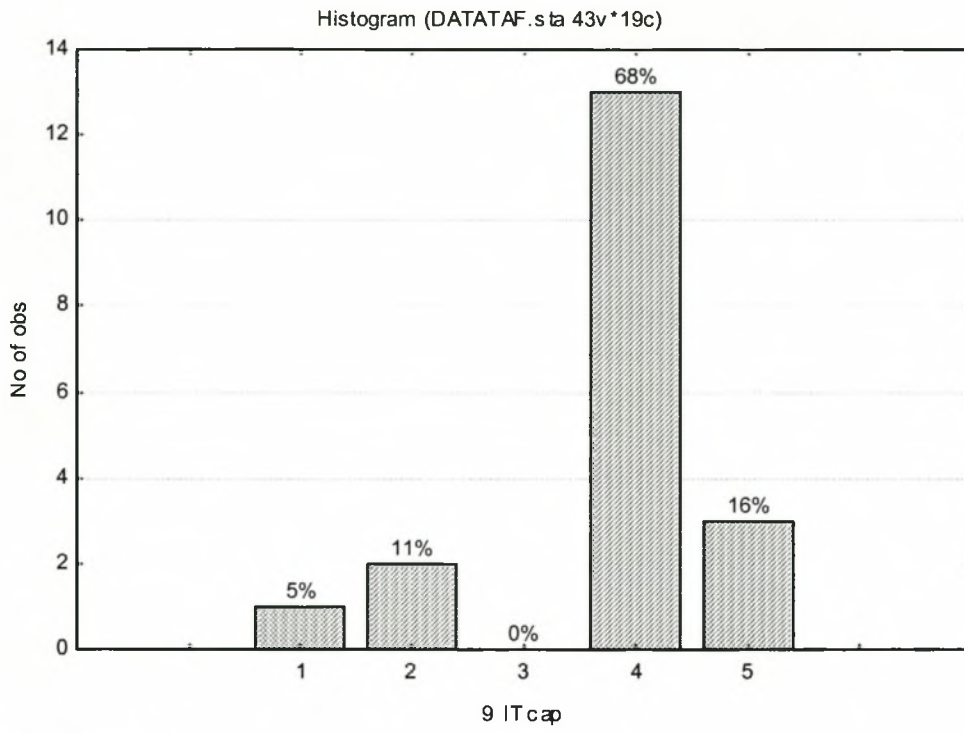


Diagram. 14

7.2.1 Management

In any organisation, the management commitment is one of the key main issues for the completion of successful e-business initiatives. In other words, a change management strategy and action plan to determine parts of the business that should be put online, while also determines the impact the e-business might have on their existing distribution channels including potential channel conflicts. An appointment of a designated e-business champion, whose role is to be accountable for the timely implementation of the strategy, is a good indication of a strong management commitment that identify performance measures in evaluating the success of their business strategy. The table 5 below demonstrates the respondents' findings as in terms of the likert score.

Electronic business systems readiness diagnostic		Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
	Management					
10	We have already developed an e-business strategy and action plan that we believe will work for our company and is outlined in the Business plan.					
11	We have determined what parts of our business should be put online.					
12	We have determined how to deal with the impacts e-business might have on our existing distribution channels, including potential channel conflicts.					
13	Senior management is strongly committed to the e-business strategy initiative.					
14	We have designated an e-business champion who is accountable for the timely implementation of the e-business strategy.					
15	We have identified performance measures to evaluate the success of our e-business strategy.					

Table. 5

The *diagrams (15-20)* summarise the findings about the respondents' management readiness in implementing e-business systems. *The likert scores and the inference is presented in percentage as follows:*

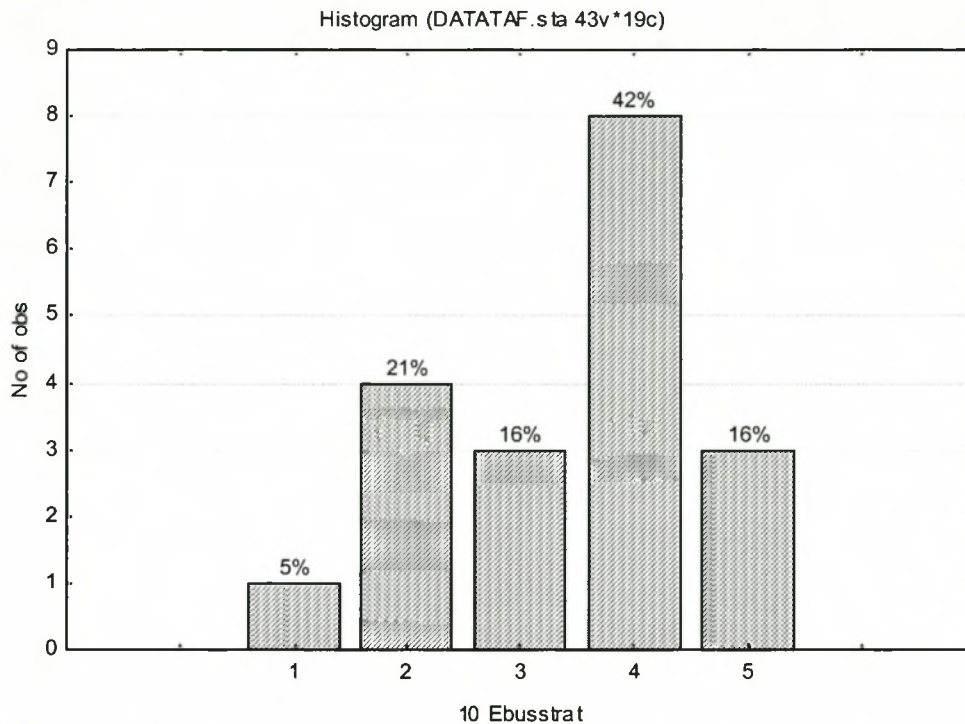


Diagram. 15

In *diagram 15*, forty-two percent (42%) of the respondents agreed that they had already developed an e-business strategy and action plan, which is outlined in the business plans, 21% of the respondents disagreed, while a twofold 16% agreed strongly and also uncertain respectively. Only 5% disagreed strongly. From the above statistical analysis, 58% (average) respondents' managers agreed that they had already developed an e-business strategy, which entails the detailed action plans in implementing e-business initiatives while 26% (average) disagreed. Twenty-one (21%) were uncertain, and their uncertainty could be linked to the following assumptions such as the inapplicability of the question asked, e-business strategy has been developed but there is no action plan, respondents do not believe it will work for their company and or the strategy was not outlined with the business plan.

In the *diagram 16* below; Forty-two percent (42%) agreed that they have determined the parts of their businesses that should be put online, 37% agreed strongly, 11% disagreed while another 11% were uncertain. There were no respondents who disagreed strongly. An average of 79% were ready and almost 22% were less ready.

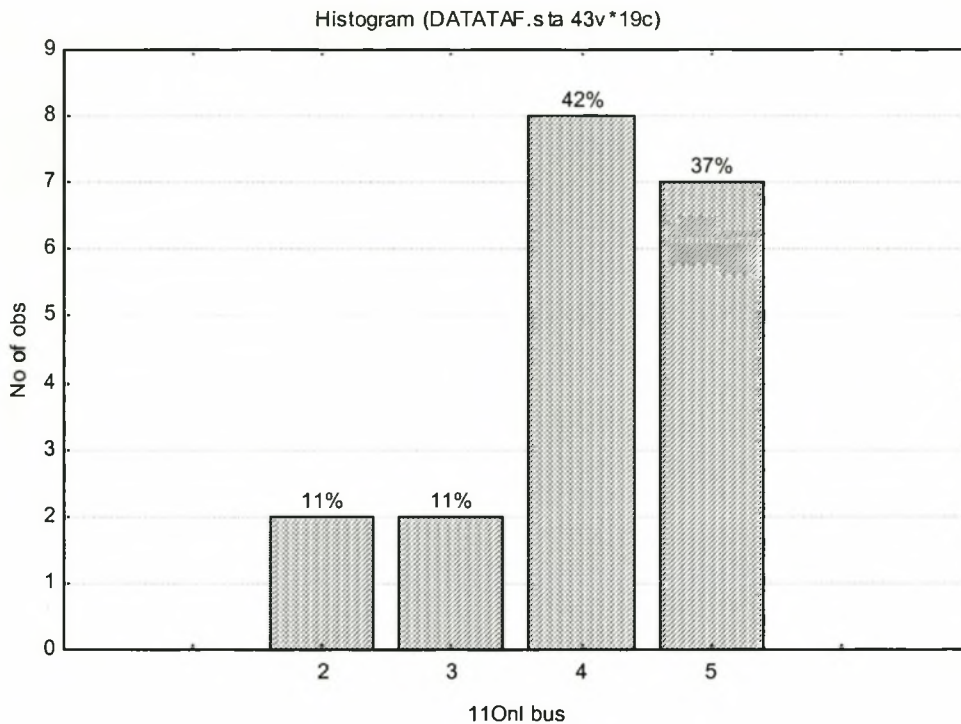


Diagram. 16

The *diagram 17* below summarises the findings of the respondents' determination in dealing with e-business impacts on their existing distribution channels and potential channel conflicts. Forty-two percent (42%) of the respondents had agreed that their institutions' management has determined the impact concerned, 26% disagreed, 16% agreed strongly while other 16% were uncertain. There were no respondents with strong disagreement.

In general terms, the analysis and statistics roughly indicate that 58% of the respondents had agreed which indicate their management readiness as in terms of e-business impact determination on their existing distribution channels and possible potential conflicting channels. Roughly, forty-eight percentage (48%) of the respondents were not ready yet and were to some extent amid and uncertain.

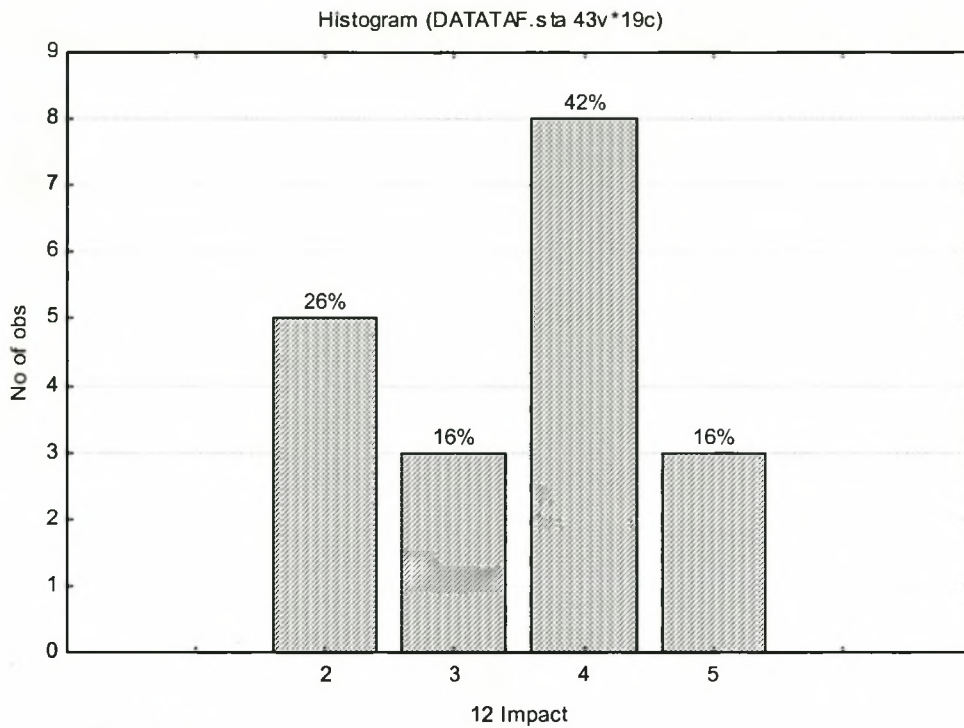


Diagram. 17

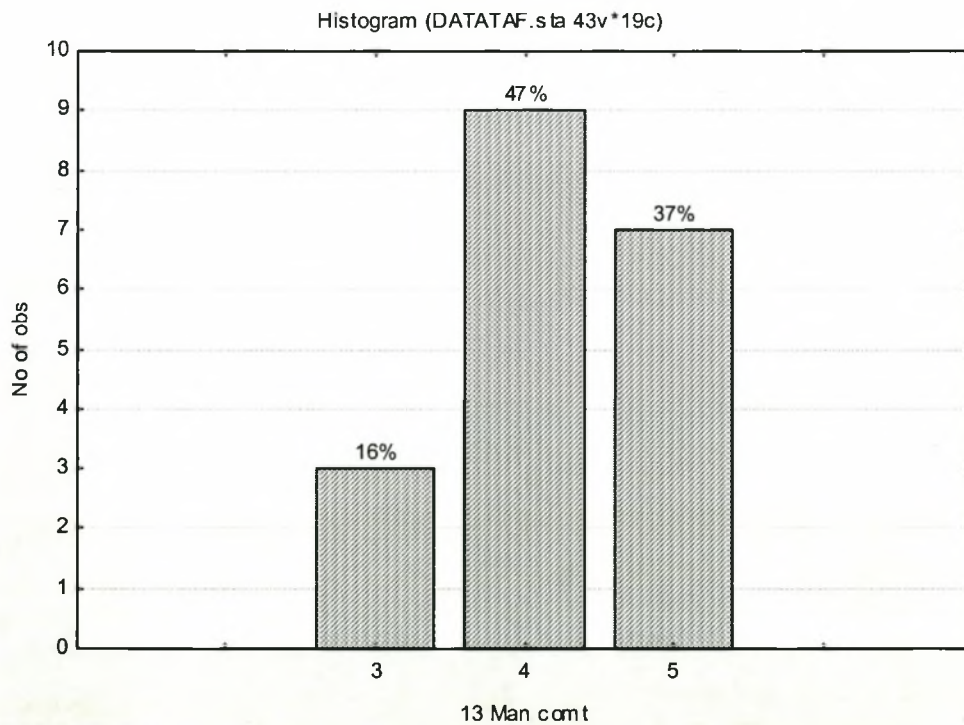


Diagram. 18

In the *diagram 18* above, the respondents were asked about management's commitment to the e-business strategy initiative. Forty-seven percent (47%) agreed that the management was committed, 37% agreed strongly while 16% were uncertain. In general terms, this indicates

that about 84% of the respondents agreed with high positive level of inference and the degree of the readiness is high though varies from one institution to another. The remaining 16% were less ready due to their uncertainty.

The *diagram 19* below summarises the findings on the respondents' designation of an e-business champion for the implementation of the e-business strategy. Forty seven percent (47%) agreed that the e-business champion had been designated, 32% agreed strongly, 16% were uncertain which could be due to various reasons such as the lack of knowledge in that regard, confusion in portfolios (IT manager, information manager and or e-business manager) etc. Sixteen percent (6%) uncertainty of the respondents could also be linked to the above factors as well though not limited to them per se, but the overall percentage 21% indicates the low readiness level.

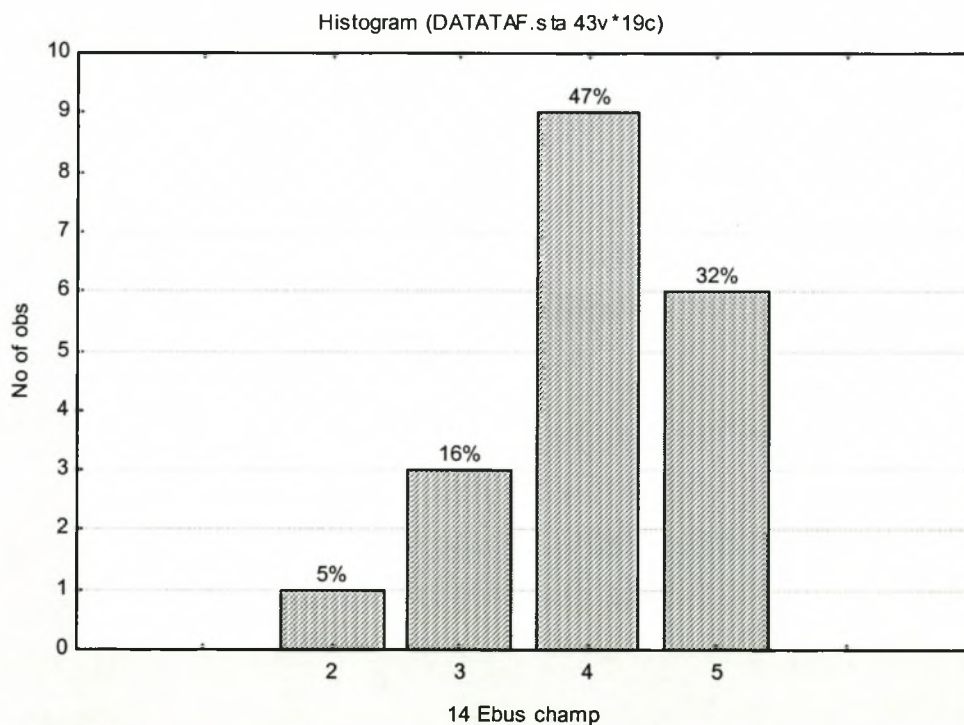


Diagram. 19

The respondents were asked about their performance measures' identification in evaluating the success of their e-business strategy. The *diagram 20* below summarises the findings as follows: forty-seven percent (47%) respondents agreed. 26% disagreed, 21% were uncertain while a low level percentage of 5% of the respondents agreed strongly. Roughly, 52% of the respondents agreed to have identified performance measures with a moderate to high positive inference rate which indicates medium level of the readiness, while at the same time, a

relatively 47% roughly were amid and less ready generally. No respondents indicated strong disagreement.

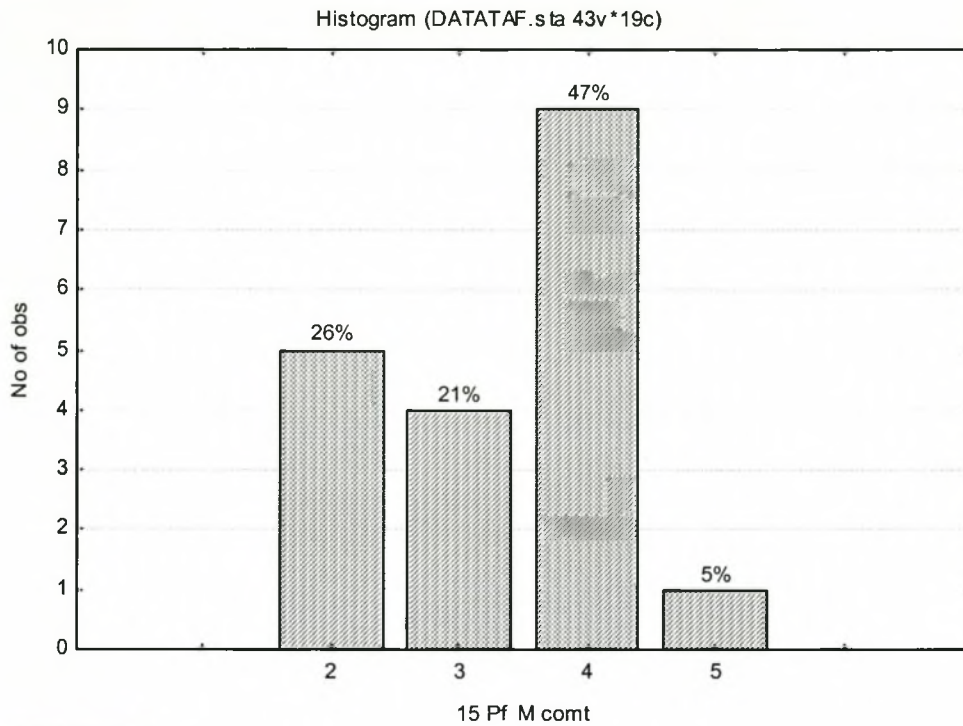


Diagram. 20

For the rest of other findings on e-business readiness assessment of the selected tourism institutions such as respondents' findings regarding their customers, competition, fulfilment, suppliers, personnel, process, profitability and urgency see **appendix A**

In summary, the deductions from the observation and data received indicates that a positive indication of the level of readiness by the selected tourism institutions in particular on their e-business insight and knowledge in almost all the following variables.

- ☞ **ICT:** making use of ICT equipment and meeting their ICT needs
- ☞ **Management:** developing an e-business strategy and action plan to determine business parts that should be put online, determine the impact e-business has on their existing distribution channels, determine management's commitment to support e-business strategy initiatives, identify performance measures to evaluate the success of their e-business strategy and to designate an e-business champion to implement the strategy.
- ☞ **Customers:** managing customer relationship thereby determining the extent to which their customers are important and whether their input is valuable.
- ☞ **Competition:** determining the market intelligence and competitors' knowledge in e-business initiatives.
- ☞ **Fulfilment:** determining their e-business fulfilment cycles thereby establishing an online after sales service and support capability for their customers and also determine their IT application input to streamline their fulfilment cycles.
- ☞ **Suppliers:** managing suppliers' relationship thereby determining their purchase procurement cost and valuing their supplier's input.
- ☞ **Employees:** consulting and informing their employees about their e-business plans, objectives and the overall vision plans.
- ☞ **Processes:** modifying and integrating their existing business processes and also streamline their internal processes thereby integrating back and front office applications.

8) Overall Analysis of the Findings

The above observations and findings infer that most of the respondents were from the Government sector, followed by the private sector Agency and information centre. Almost all the respondents from the private sector had top management job designation except for a single senior manger. In government, 38% of the respondents were senior managers and top managers (38%) and junior management (24%) respectively.

Thirty-two percent (32%) of the respondents had more than ten years work experience in the current positions. There were about 42% of the respondents who had 3-5 years of work in their current positions and about 21% of the respondents with less than 3 years of work in their current institutions and 5% below 10 years. The findings show that the majority of respondents had 3-5 years of experience followed by respondents with more than ten and even above 15 years of work in the tourism industry.

Even though this has got no causal effect and or effective correlation mean, the in depth knowledge and information collated was magnificent particularly the discussions during the personal in-depth interviews' proceedings. As indicated earlier on, almost all the respondents were familiar with the e-business concepts and its benefits while at the same time they have a good understanding of the new trends and current models in use.

This forms part of the key main questions in the questionnaire, particularly in determining the readiness on the respondents on e-business practice within the context of indispensable knowledge and insight required. Fifty-three percent (53%) indicated yes, they had knowledge about the e-business and its "pros" and cons". Ten percent of the respondents said definitely, 11% partly agreed that they had knowledge about the e-business concepts while 32% definitely agreed to have accumulated enough knowledge on the matter.

9) Conclusion

The Western Cape tourism industry is one of the key sectors that have strong investment opportunities and contributes relatively to the provincial and national development and economic growth. The sector is strategically modifying and integrating its business processes for collaborative and competitive benefits, which include doing business effectively and efficiently online while satisfying and responding to the needs of the customers.

The industry role players have jointly designed an e-business blue-print with a model outlining systems needed, the ones to be modified and integrated etc. including the databases and whole range of communication media that needs to be interlinked and connected for integration and collaborative purposes. A tourism destination organisation (DMO) has been established to market Cape Town and the Western Cape tourism products and services centrally.

Though the selected tourism institutions were diverse in nature, representing different sub-sectors such as retail, restaurants, hotels, government, agencies etc. within the tourism sector, the level at which the general inference rate of their readiness was, indicates a medium to high level of readiness by the respondents in implementing e-business systems application. Most of the respondents knew about the current tourism initiatives within the Province such as the DMO, e-business, JMI etc. Their level of readiness was measured based on their knowledge and insight on ICT status quo, management commitment, customer relationship and supplier relationships, competitiveness, business processes, their personnel readiness and their organisation's sense of urgency in implementing e-business initiatives.

The study attempted to explore whether the selected tourism institutions were ready to embark on e-business initiative and implement e-business systems application. Generally the results were positive, the selected tourism institutions had knowledge and insight about the e-business concept and initiatives and they were ready to implement e-business systems application even though there are few areas that need consideration. The private sector institutions are much more ready than the public sector, tourism agencies and information centres though the statistics showed no significant correlation of variable factors tested.

The findings generally suggest that the selected tourism institutions were ready to implement electronic business systems application as inferred by the data received. The response to the hypothesis is “YES”; the selected tourism institutions are ready to implement e-business systems.

The success of e-business initiatives in any organisation depends not only on its efforts to digitise its value chain and on its readiness levels but also on the readiness of its customers and suppliers to engage and interlink collaboratively in electronic interactions and transactions. The inference could be high or low and it could mean a lot with less significance whilst it could also mean less but with strong impact as in terms of inference significance degree.

The inference rate could be high and or low for various reasons that are variable or caused by variable factors within or outside an organisation whilst others might be peripheral depending on the nature of the business, strategic approach and management commitment and its support programs for e-business initiatives. Most importantly, the findings show both challenges and opportunities brought to the fore for almost all the organisations involved in the tourism environment.

An opportunity exists for the future research on whether these tourism institutions would have business confidence in the services offered by the DMO as the central marketing organisation body with no asymmetric and prejudiced problems. Also, whether the DMO will introduce a complete new change in a manner that will uplift the marketing needs of these tourism institutions to be represented?

It is imperative for the Western Cape knowledge economy in its tourism development approach to sustainable promotes a tourism environment conducive to the needs of all its economic citizens, people and its enterprises. In brief terms, this means access to the quality work and the enterprise opportunities, and the access to the capacities and skills to make use of these opportunities. The enterprises of all types and sizes will have to become adaptive, innovative and internationally competitive. It has to build on a platform of infrastructure and logistics, competitive input prices, skills, technology and innovation, partnerships, efficient regulation and effective government offerings to offer consumers access to safe, competitively priced quality goods and services in a non-exploitative system that will encourage the supply and the value chain to respond to the consumer needs.

10) Recommendations

Increasingly, the ICT systems used by these tourism destination organizations are Internet based with easy accessibility to a wide variety of users across the Web with a high level of attention focussing on e-business systems application rather than the technology. It is recommended that the selected tourism institutions should review their e-business approach in the following areas as found in this study:

- ☞ *Website user friendliness in meeting customers' needs*: the website as a communication medium to engage and communicate information should with no doubt be user-friendly.
- ☞ *CRM*: about forty-seven percent (47%) of the respondents generally disagreed to have used CRM in their institutions, which could turn to be a major concern.
- ☞ *Unanticipated surges*: in general terms, about thirty-two percent (32%) disagreed to have plans to deal with unanticipated surges. Such a percentage is relatively inferring and could indicate a low level of readiness by the respondents in this regard hence failing to plan is even much more worse than planning to fail.
- ☞ *Procurement costs*: about forty-two percent (42%) of the respondents generally disagreed to have determined their procurement costs reductions by purchasing online.
- ☞ *Establishment of online after sales service*: about forty-eight percent (48%) of the respondents generally disagreed to have established online after sales service and support capability.
- ☞ *SCM*: about forty-two percent (42%) of the respondents disagreed to have used SCM to manage their suppliers' networks and interactions.
- ☞ *Suppliers' valuable input*: about thirty-seven percent (37%) of the respondents generally disagreed to have provisions for their suppliers' valuable input as part of their business.
- ☞ *Employees reward systems*: about fifty-two percent (52%) of the respondents generally disagreed informingly that they do not have systems and incentives for their employees.

Such relative high number of percentage could infer a low level of readiness by the respondents in the issue concerned.

- ☞ *Business processes*: generally, about forty-two percent (42%) of the respondents disagreed to have knowledge on business processes modification, elimination and integration.
- ☞ *E-business strategy expectations and benefits*: about forty-two percent (42%) of the respondents generally disagreed that their e-business strategy benefits would be more intangible than more readily quantifiable.
- ☞ *E-business strategy completeness*: about fifty-eight percent (58%) of the respondents generally disagreed that their e-business strategy was complete, up-to-date and ready to be implemented.
- ☞ *Resources alignment and e-business strategy leapfrogging*: about forty-two percent (42%) of the respondents generally disagreed to have aligned their resources and needed to move forward with their e-business strategy.

Secondly, these tourism institutions including the industry role players should maintain the momentum they have already achieved and move ahead quickly with the process of procuring and implementing their e-business plans and objectives. In return, this might help them to quickly realise new market opportunities and sell more of their tourism products, provide effective, efficient and friendly customer focused service to visitors and enhance their performance and profitability.

Thirdly, it is also recommended that not only the selected tourism institutions should effectively and efficiently implement e-business systems but also other relevant institutions, local tourism bureaus and any other institutions that links and or contributes to the tourism revenue and development cycles.

In addition to the above, the selected tourism institutions should depict a high level of proficiency in the use of ICT to help them undertake their businesses in the most efficient and effective ways. They need to work together collaboratively and with the local tourism

bureaus and other relevant tourism related institutions and use integrated universal systems and databases aggressively to maximise their communications and also make best use of resources available to them. They should also level their playing field for small and micro enterprises falling within the tourism sector to coordinate marketing activities and allow cross-sectoral marketing and business interaction.

The respondents concerned and any other affected institution (business within the tourism industry) should learn from the above findings and attempt to strengthen and enhance their readiness levels for the benefit of the entire industry at large.

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12) List of Appendixes

12.1 Appendix A..... *Findings Continues*

Customers

With the evolution of the e-business concept and ICTs, institutions who want to do business online competitively are faced with a huge challenge of not only understanding their customers, their behaviour and attitude but most importantly is the need to value their customers and treat them as special as their assets with most valuable product information through delighting them, satisfying their needs, and constant communication to personalise/customise services. The idea is to help businesses to use technology and human resources to gain insight into the behaviour of customers, better communicate with, understand value and retain their customers to:

- ☞ provide better customer service
- ☞ make call centres more efficient
- ☞ cross sell products more effectively
- ☞ help sales staff close deals faster
- ☞ simplify marketing and sales processes
- ☞ discover new customers
- ☞ increase customer revenues

Most importantly, organizations should first decide what kind of customer information they are looking for and decide what they intend to do with that information. The respondents were also asked four questions about their customers. Each question was designed to reflect the respondents' determination and customer relationship approach in meeting the customers' needs and valuing their contributions.

The table and the diagrams (24 - 27) below demonstrates the likert findings scores on whether these selected institutions were ready to implement e-business systems through valuing and satisfying their customers and engaging them for their contribution input on e-business planning phase.

Electronic business systems readiness diagnostic		Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
16	We have determined the extent to which marketing online is important to our company.					
17	Customer input is a valuable component of our e-business planning.					
18	Our web site meets all of our customers' needs to get information from us and to do business with us.					
19	We use customer relationship management (CRM) software to help us track and cater to customers' individual needs.					

Table. 6

When the respondents were asked about the significant and extent to online marketing in their companies, the response was highly conclusive with a splendid inference rate.

Sixty-eight percent (68%) of the respondents agreed that they have determined the extent to which marketing online was important to their companies with 32% agreeing strongly as well. The indication from the above analysis and statistics suggests that almost all the respondents were determined to marketing online and the level of readiness was superb.

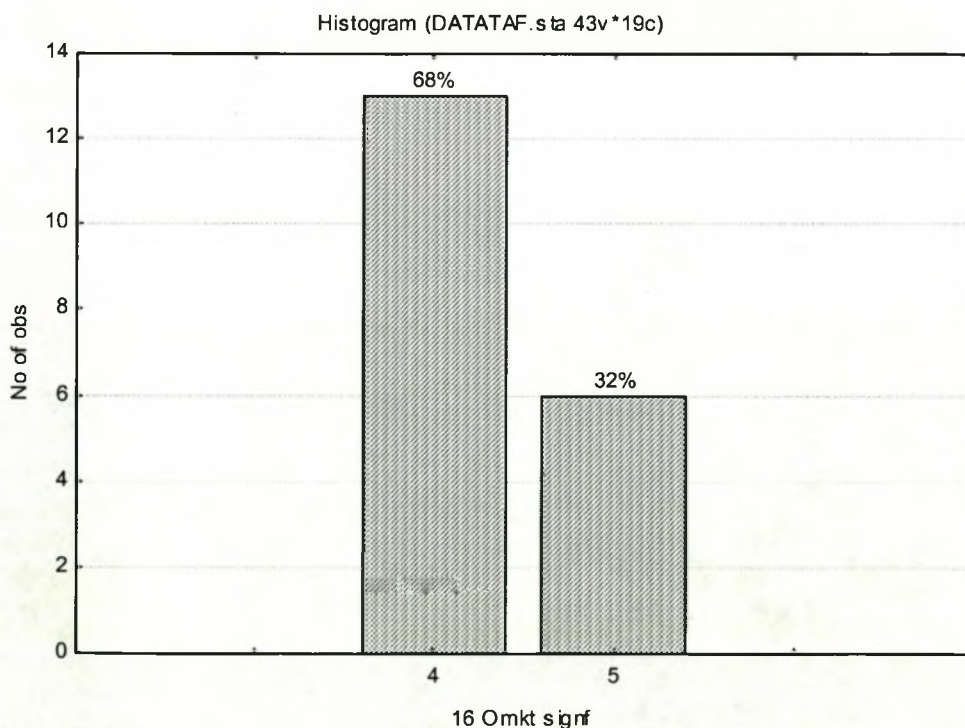


Diagram. 21

In the *diagram 22* below, fifty-three percent (53%) agreed that the customers' inputs were valuable component of their e-business planning, 42% also agreed but strongly while 5% disagreed. About 95% in average terms, the respondents agreed to be valuing the customers' inputs during their e-business planning, which indicates also, indicates a high level of inference and outstanding level of readiness.

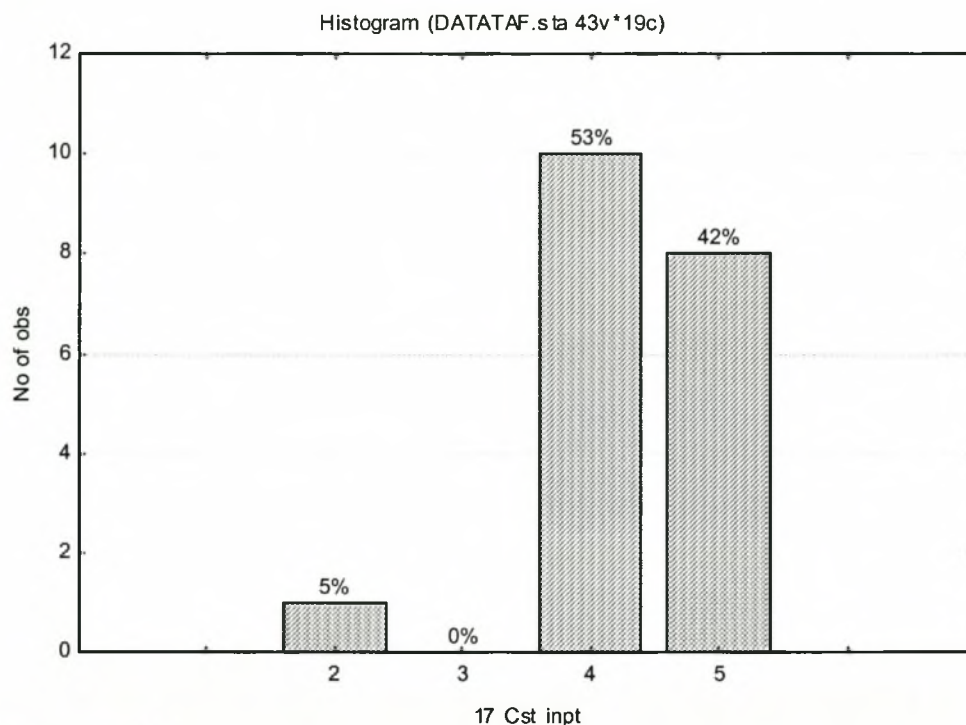


Diagram. 22

The *diagram 23 below* summarises the findings of the respondents regarding their website user-friendliness in meeting almost all of their customers' needs of getting information from and doing business with them. Forty-two percent (42%) agreed while a minimum of 5% agreed strongly. Thirty-two percent (32%) disagreed while 21% were uncertain.

This shows that about 53% of the respondents were less ready and or uncertain about their reflections of meeting all their customers' needs. With this medium to high average percentage, the inference is negatively much low.

This could also be associated with the level of their knowledge in website activities and or lack of information regarding the assessment reviews and monitoring of their website activities.

Most importantly, there could be a total communication/information breakdown between those who manages the websites and the management but the level of readiness in this regard is much low.

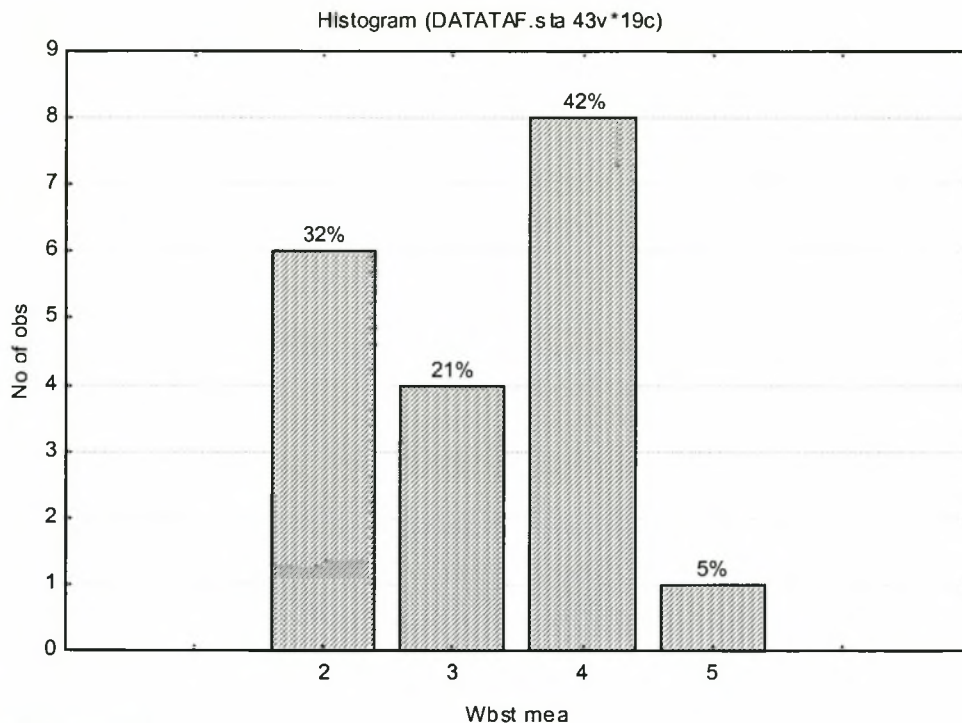


Diagram. 23

The *diagram 24* below demonstrates the respondents' findings were not gratifying per se in exploiting CRM systems and the inference rate was deteriorating. Sixteen percent (16%) agreed strongly while 5% disagreed strongly, 21% agreed while 42% disagreed that CRM software usage helped them to track and cater to their customers' individual needs.

Roughly, about 37% agreed to use the CRM while 47% disagreed. The remaining 16% were uncertain; still they could be associated to disagreement likert dimension but also it could be that they were using another software (front office application) which functions exactly the same as the CRM. In other words, the CRM software was not the software they were using. Forty-seven percent (47%) disagreement indicates the low level of readiness by these respondents with a low level of inference.

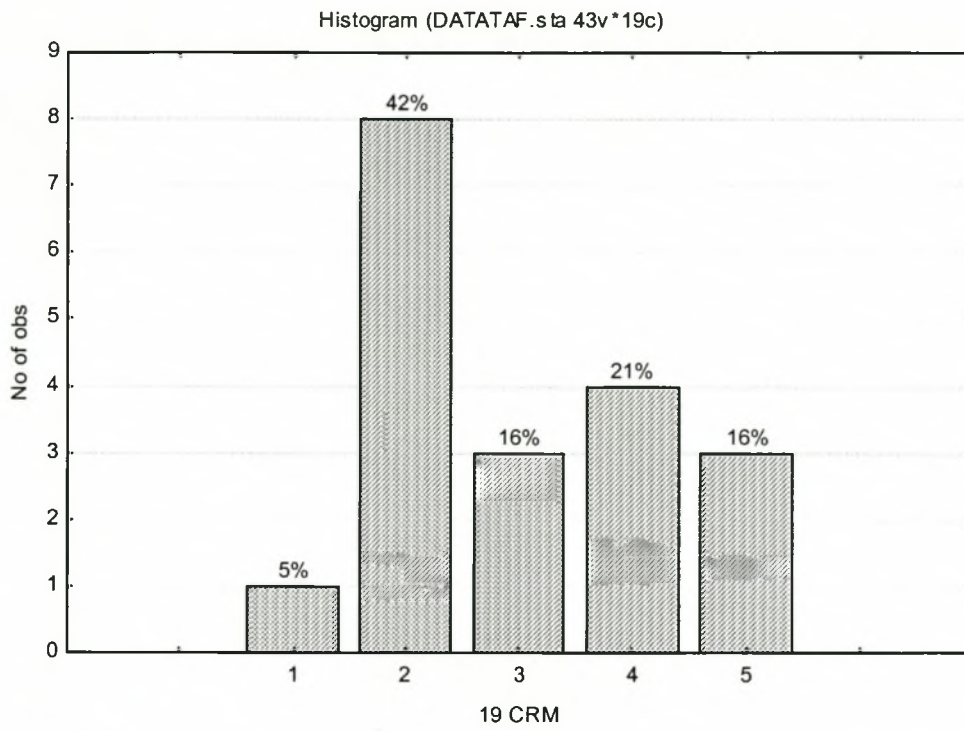


Diagram. 24

Competition

Globalisation has resulted in increased competition in almost all the industries worldwide. The impact it has on the way business is conducted currently has been enhanced further by e-business. Businesses with no profound understanding and essence of competition on e-business platforms are bound to be left behind and loose not only significant revenues but also their customers and suppliers including their vital business networks. According to Albadyi, many web-based businesses are learning that the real value of e-business comes not in the form of sales, but in removing inefficiencies in traditional business models and that of power and challenges of e-business in enhancing the competitive advantage in developing countries' industries⁸⁰.

It is clear from the above that the 'take-up' of business-to-business e-business is driven by resource and the cost pressures but most importantly the need for competitive advantage. E-business will play a significant role in supporting efforts to improve productivity. The management of relationships among customers, suppliers, and competitors has become more important

Electronic business systems readiness diagnostic		Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
Competition						
20	We know about the e-business initiatives of our competitors and other players in our industry, and we have determined how this could affect our competitiveness.					
21	We have assessed the possibility of new competition arising from companies outside our traditional industry.					

Table. 7

The *diagrams 25 - 26* are the summary of the respondents' results on competition issues pertinent to the e-business readiness of their institutions. The respondents were asked their knowledge about the e-business initiatives of their competitors and other players within their industry (tourism) and whether they have assessed the possibility of new competition arising from companies outside their traditional industry. *Diagram 26* summarises the latter.

⁸⁰ Albadyi, A. 2003. [online] Available. <http://portal.acm.org/citation> [16 December 2003]

According to the results, in the diagram below, fifty-eight percent (58%) of the respondents agreed to have determined the effects of their competitors' e-business initiatives in their industry while 11% disagreed. 21% agreed strongly while 11% disagreed strongly. Generally, about 69% agreed that they have knowledge of their competitors' e-business initiatives, which indicates a medium to high level of inference while 11% were less ready in this regard with a low level of inference. 11% were uncertain which could mean that they don't have any knowledge about their competitors' e-business initiatives and or they have not determined the competitiveness factor at all.

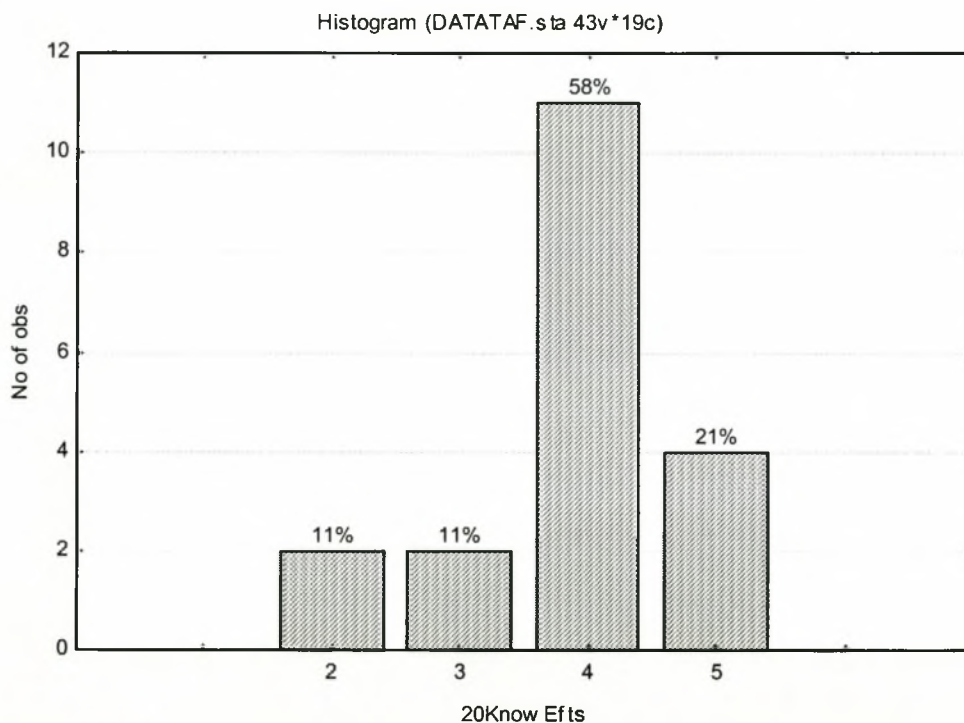


Diagram. 25

When the respondents were asked whether they have assessed the possibility of new competition arising from companies outside their traditional industry, as the diagram 29 below summarises the results, 42% agreed while 26% disagreed. 16% agreed strongly while 16% were uncertain. In brief terms, 58% agreed to have assessed the possibility of new competition which is a relatively medium to high rate of inference while 26% indicates a low level of readiness in this regard. Again, 16% uncertainty of the respondents could indicate various determining factors pertinent to such responses.

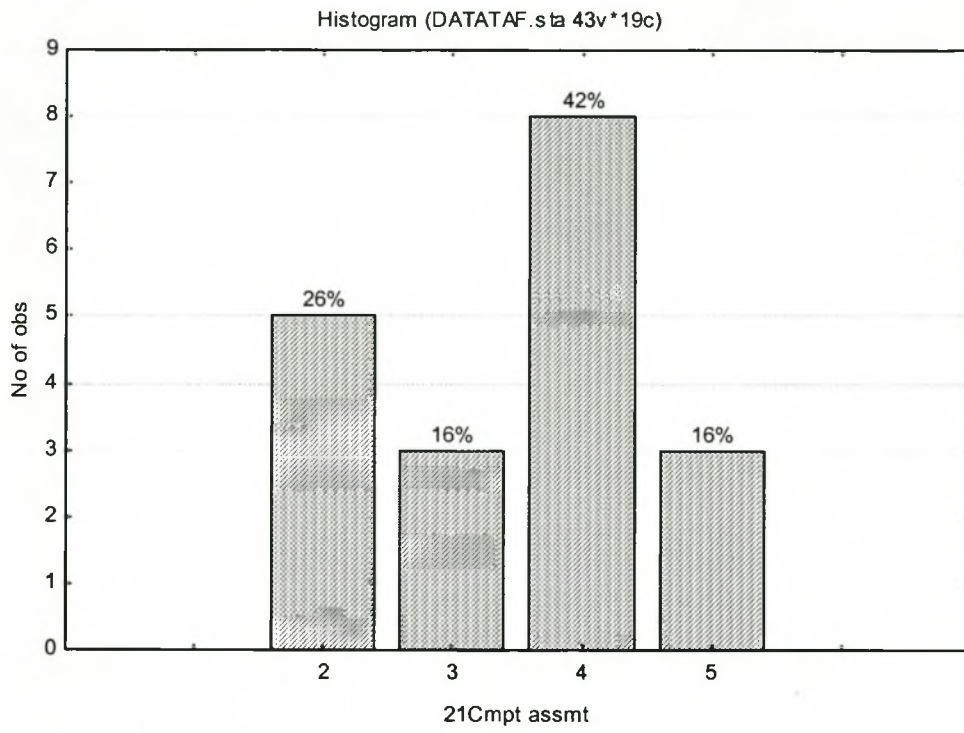


Diagram. 26

Fulfilment

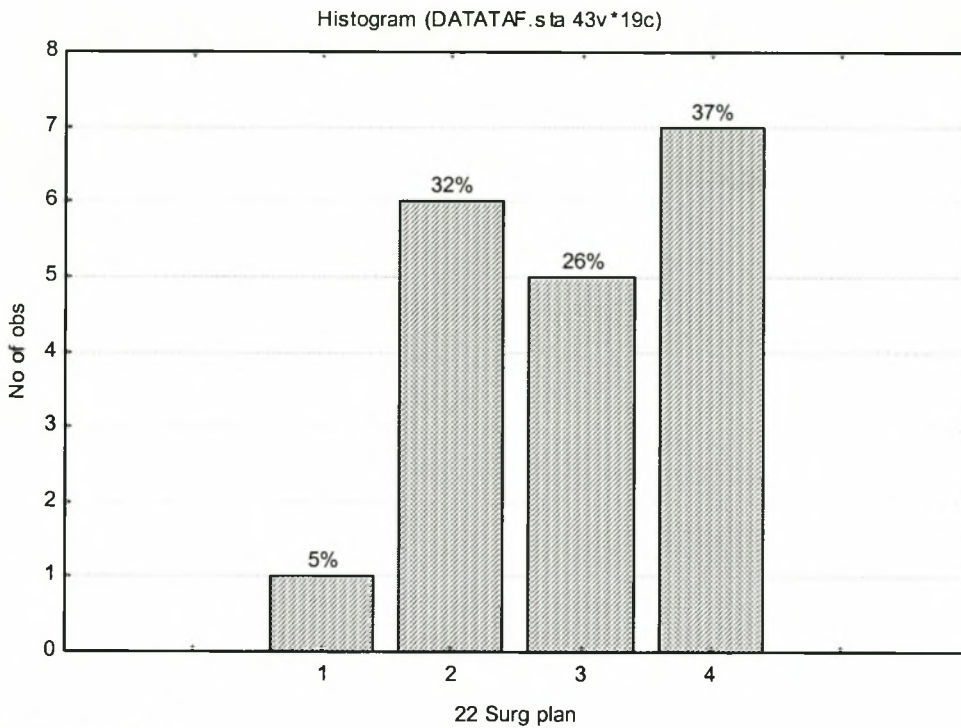
If an organisation can connects critical business processes such as CRM, SCM, knowledge management, e-commerce, business intelligence etc. directly to key constituencies (customers, employees, suppliers, distributors and employees) via the Web (Internet, intranet and extranet) thereby supporting a **new range of features**, bringing together all forms of electronic interaction for such constituencies while also recognizing the context of individual visitors then such organisation is bound to fulfil its business cycle competitively.

Electronic business systems readiness diagnostic		Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
22	We have a plan for dealing with unanticipated surges in demand that may result from our online marketing and sales efforts.					
23	We have established an online after-sales service and support capability.					
24	We have determined how information technology applications could streamline our fulfilment cycles.					

Table. 8

The respondents were asked about their fulfilment business cycle status quo, the *diagrams 27 - 29* summarise the results as follows:

In the *diagram 27* below, thirty-seven percent (37%) respondents agreed to have planned for dealing with unanticipated surges in demand that may result from their online marketing and sales efforts, while 32% disagreed.

**Diagram. 27**

A high rate of 26% was uncertain while a minimum percentage of 5% disagreed strongly. The high rate of uncertainty could be linked with the fact that most of the respondents indicated that their dealings were properly done to avoid any kind of surges that may occur but also some had no plans at all to deal with such surges. Roughly, 37% disagreed to have planned for unanticipated surges while another 37% indicated to have fulfilled their unanticipated surges. Again, the level of inference in this regard is low which affects the readiness of the rest.

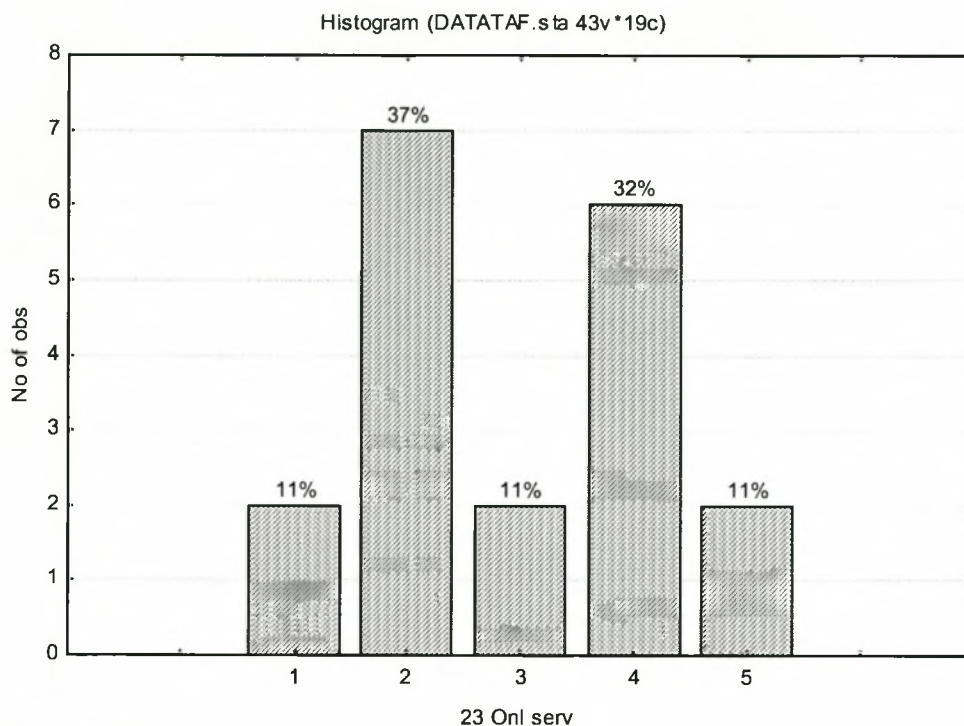


Diagram. 28

The *diagram 28* above demonstrates the respondents' results on their establishment of an online after-sales service and support capability. A high rate of 37% disagreed to have established an online after-sales service and support capability, while 32% agreed. Eleven percent (11%) agreed strongly while at the same time 11% disagreed strongly. Another 11% were uncertain. In general terms, 43% agreed to have plans and supports capability while a high rate of 48% disagreed. The level of inference and readiness in this regard is low and this is also a challenging area to be embarked upon by those affected.

The *diagram 29* below summarises the findings of the respondents in determining IT applications' streamline of their fulfilment cycles. Fifty-eight percent of the respondents agreed to have determined how IT applications could streamline their fulfilment cycles while 21% disagreed with 16% of the respondents agreeing strongly. Only 5% of the respondents were uncertain. Roughly, 74% of the respondents agreed that IT could streamline their fulfilment cycles while a relatively 21% showed low inference and less readiness levels.

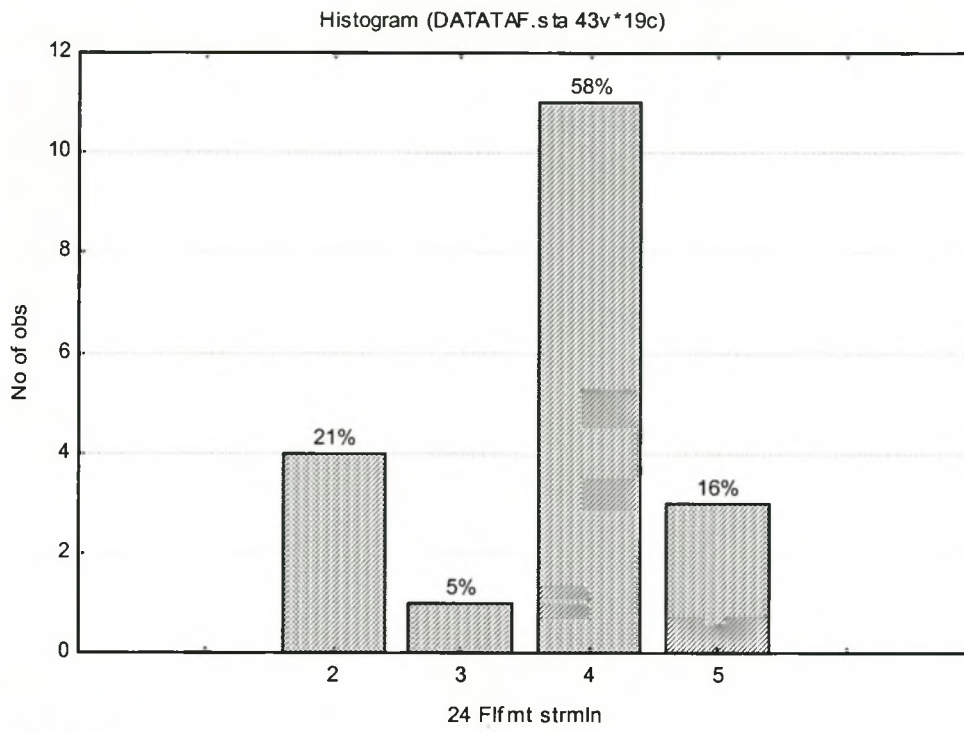


Diagram. 29

Suppliers

If a supplier can *collaborate* with its partners in the supply chain cycle more effectively, *plan* more accurately for production and *respond* more rapidly to customers' demands then advances in e-business technology should be attributed as they offer cost-effective ways to manage relationships, enables the trading partners to work closely and allaying security fears as the right technology is deployed for everyone concerned. The e-business capability plays a role in supply chain management as online trading improves order accuracy, lower order processing costs, open access to multiple selling channels and allow the suppliers to take orders seamlessly from all the integrated channels. The respondents were asked questions regarding their supply chain management, operations and functional activities.

Electronic business systems readiness diagnostic		Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
25	We have determined whether we can reduce procurement costs by purchasing online.					
26	We have used online marketplaces or exchanges to find and buy supplies or materials.					
27	We use supply chain management (SCM) software to manage our supplier network and optimise our interactions with them.					
28	We have made input from suppliers a valuable part of our e-business planning.					

Table. 9

The *diagram 30* below demonstrates the respondents' findings in determining their procurement costs reduction by purchasing online. A relatively high rate of 37% respondents disagreed as compared to 5% of the respondents who agreed. Another 37% of respondents were uncertain while 16% of the respondents agreed strongly. Only 5% of the respondents disagreed strongly.

The findings indicate a low level of inference by the respondents and a low level of readiness, roughly 21% agreed while 42% roughly disagreed with a high level of less readiness in this regard. The 37% uncertainty rate could be linked with the lack of knowledge in procurement information and constant evaluation. This is also an area, which needs to be

explored further by the institutions being affected as e-business has splendid benefits to be exploited for procurement reduction costs.

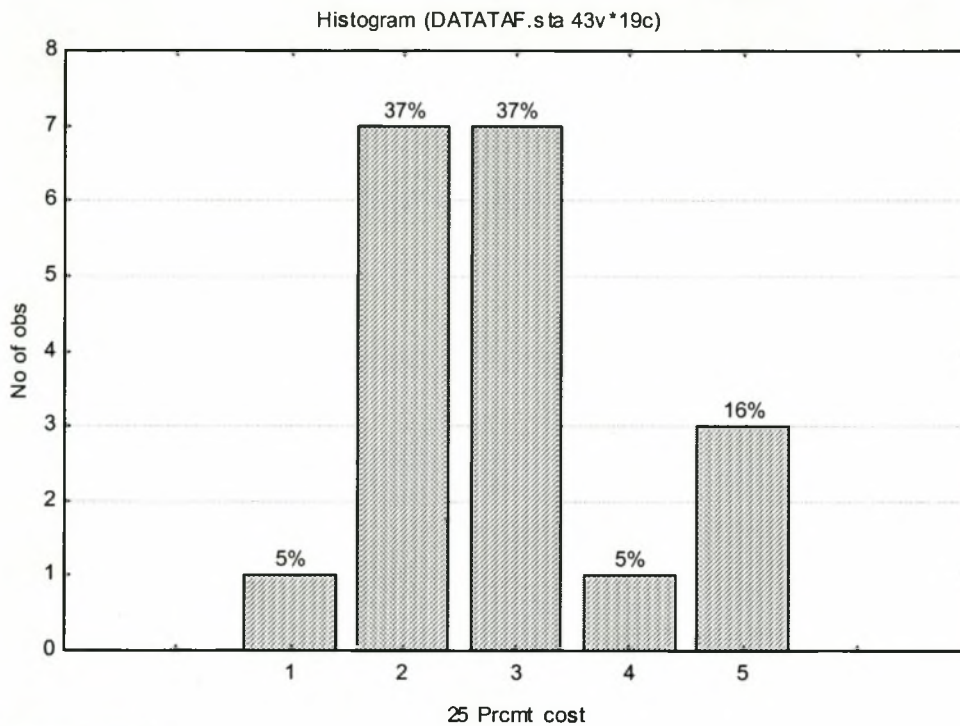


Diagram. 30

Respondents were asked if they have used online marketplaces to find and buy materials. The *diagram 31* below summarises the findings as follows: a relatively medium to high rate of 37% of the respondents disagreed while 21% agreed. Another 21% agreed strongly while the remaining 21% of the respondents were uncertain. Roughly, 42 % of the respondents agreed to have used online marketplaces or exchanges to find and buy supplies.

In generally, about 58% of the respondents were not using online marketplaces, which could be based on the lack of knowledge about SCM operational activities and limited resources such as ICT equipment and relevant applications. The level of inference is relatively low and the respondents' readiness in using online marketplaces and exchanges was also relatively low.

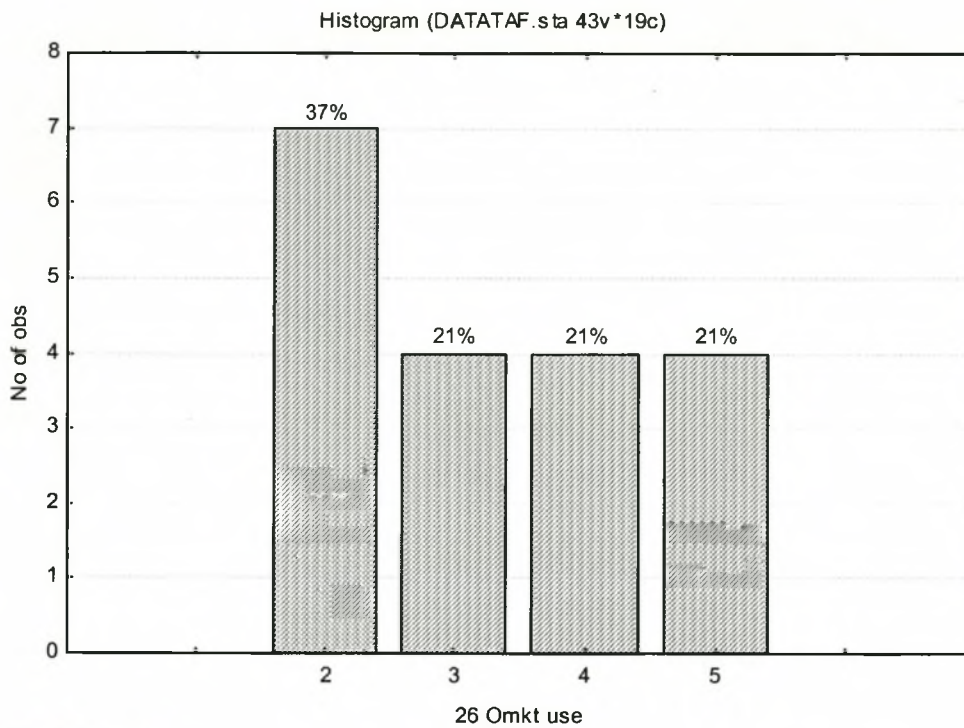


Diagram. 31

When the respondents were asked if they use SCM software to manage their supplier network so as to optimise their interactions with them, the response was agreeable as anticipated. The *diagram 32* below demonstrates the respondents' findings as follows:

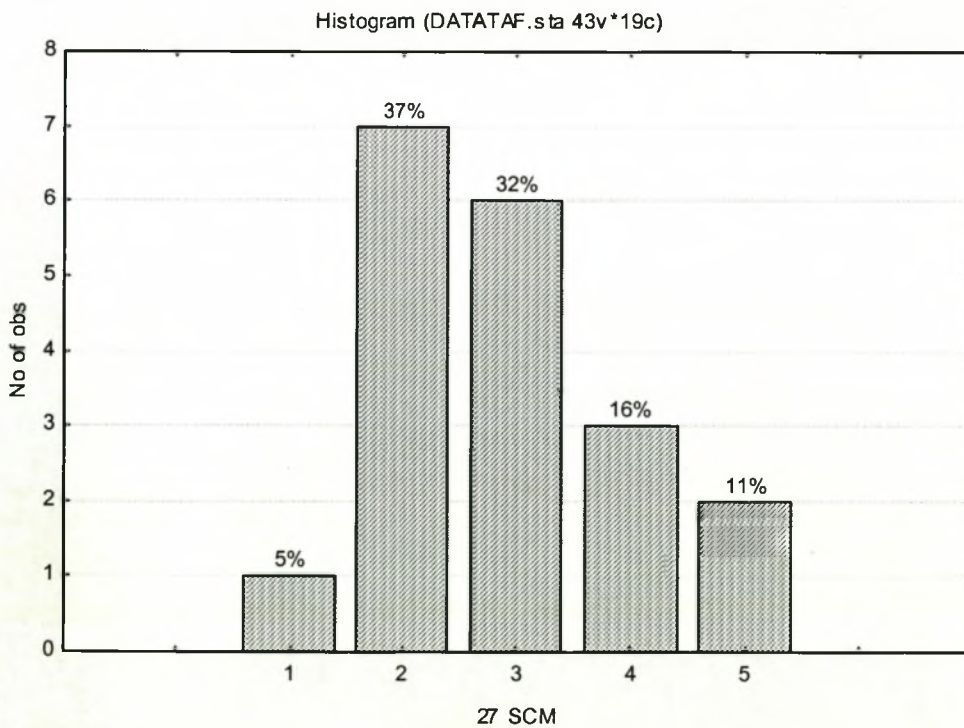


Diagram. 32

Thirty-seven percent (37%) disagreed to have not used SCM to manage their supplier network and interactions while an absolute low rate of 16% agreed. Eleven percent (11%) of the respondents agreed strongly while a low level rate of 5% disagreed strongly. Thirty-two percent (32%) of the respondents were uncertain, which seems to be an intense percentage carrying a low level rate of inference and readiness uncertainties about the respondents' use of SCM.

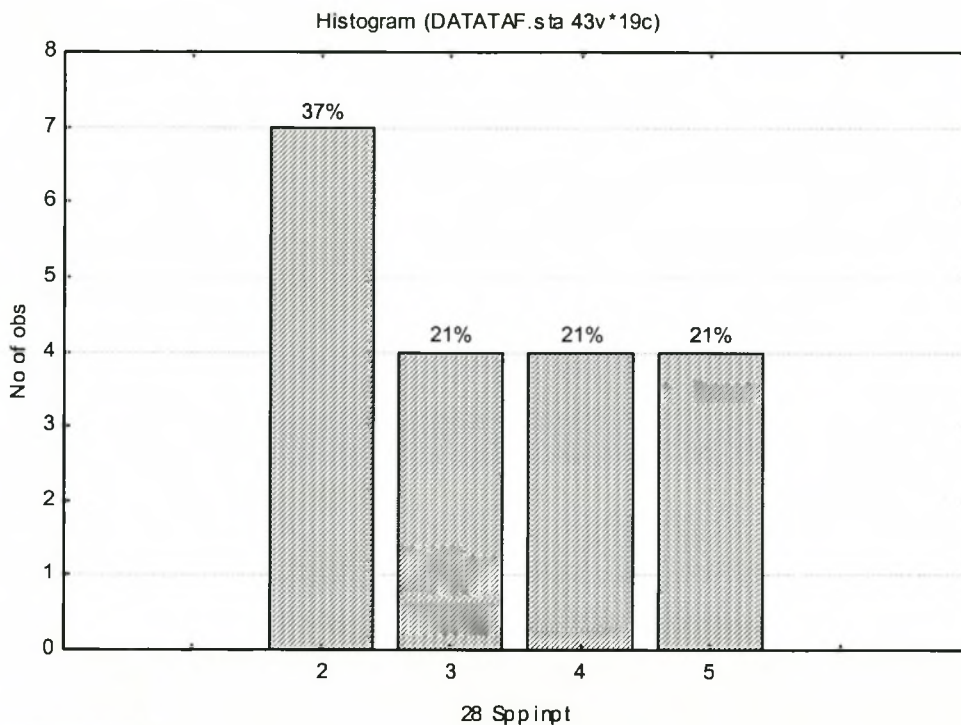


Diagram. 33

The *diagram 33* above reveals the respondents' results and findings on provisions for suppliers' valuable inputs as part of their business. Thirty-seven percent (37%) again disagreed to have made inputs from suppliers as part of their e-business planning. Twenty-one percent (21%) of the respondents agreed strongly while another 21% agreed.

Another 21% of the respondents were uncertain, it could be that the respondents were again not informed of any such information and operational activities and or suppliers' inputs were seen not to be significant relevant. This could also be due to a lack of knowledge in e-business systems application such as SCM of which the respondents' institutions had not yet exploited.

Roughly, forty two (42%) of the respondents agreed to have made input from suppliers a valuable part of their e-business planning. On average, the inference rate is relatively low which indicates a low level of readiness by the respondents selected for the study.

Personnel

The e-business has brought revolutionary change that has businesses facing a steep learning curve on how to use the Internet to expand business opportunities, reduce the cost of operations and allow for Internet -centric process improvement.

E-business thrives in an environment of flexibility and innovation, the corporate culture stimulates and rewards these attributes have while human resources are complementary. The idea is to make personnel to offer feedback, while at the same time building loyalty is critical in advancing development of corporate knowledge. Their knowledge and experience is vital in acquiring the knowledge and skills necessary to help implement Internet technologies that enable the organisation to operate more effectively - from procuring supplies, monitoring inventory and processing orders to managing facilities, finances, sales and customer service.

Electronic business systems readiness diagnostic		Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
Personnel						
29	Once we have our e-business strategy up and running, we expect it to require changes to our corporate culture.					
30	We have properly communicated our e-business strategy to our employees.					
31	We have a plan for addressing employee concerns about the effect our e-business strategy might have on their jobs.					
32	We have a plan for training employees in the new skills they will need for our e-business strategy to succeed.					
33	We have a system in place that rewards our employees for their innovations and suggestions.					

Table. 10

In the *diagram 34* below, the respondents were asked whether they expect their e-business strategy to require changes to their corporate culture. Thirty-seven percent (37%) of the respondents agreed strongly that they have their business strategy up and running and they expect it to require changes to our corporate culture, while there were no respondents who did not disagreed strongly.

Fifty-three percent (53%) agreed while 5% disagreed. Five percent (5%) of the respondents were uncertain. Roughly, 90% of the respondents agreed with the statement, which indicates very high positive inference rate in terms of the readiness level.

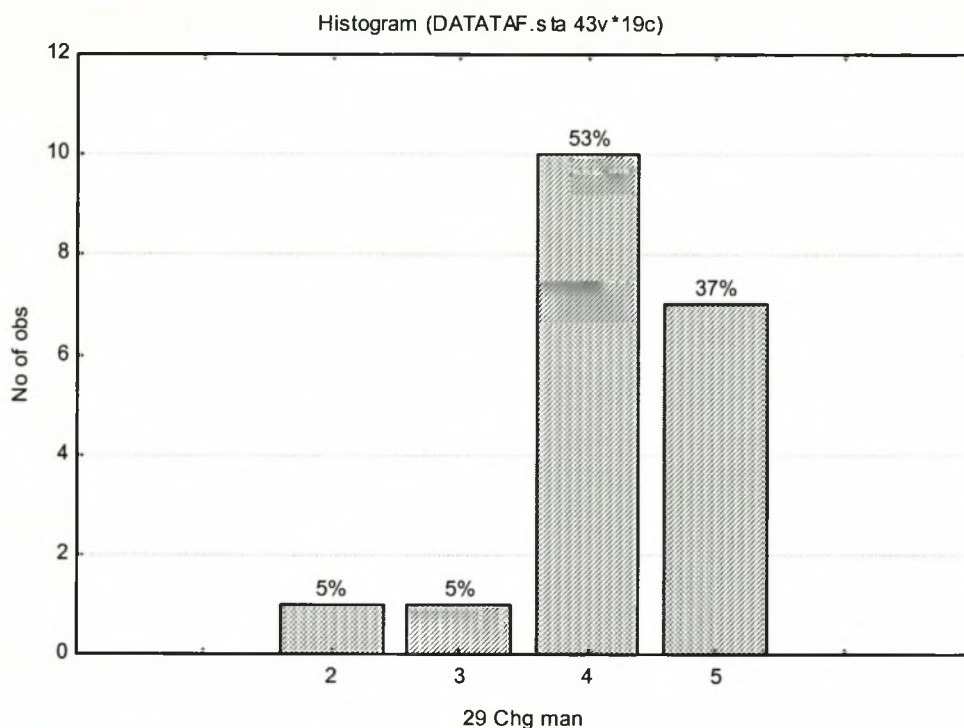


Diagram. 34

The *diagram 35* below summarises the findings of the respondents on their communication of the e-business strategy to their employees. A high percentage rate of 63% agreed that they have properly communicated their e-business strategy to their employees while 21% disagreed. Eleven percent (11%) of the respondents agreed strongly while 5% disagreed strongly. In general terms, about 74% of the respondents agreed to have informed their employees about their e-business strategy, which also indicates a high level of inference and readiness level.

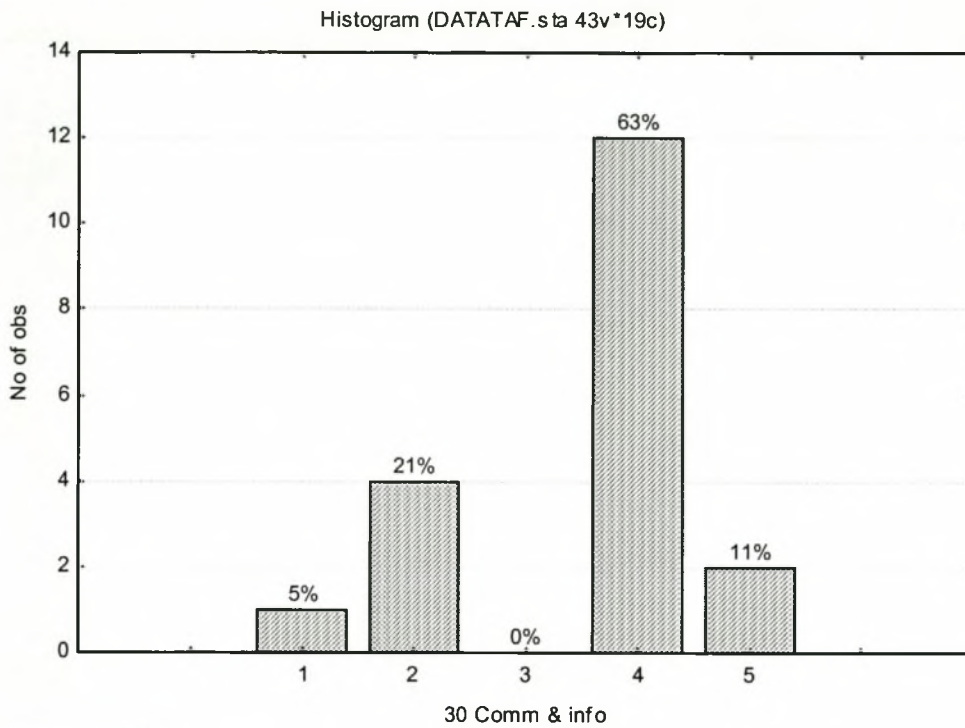


Diagram. 35

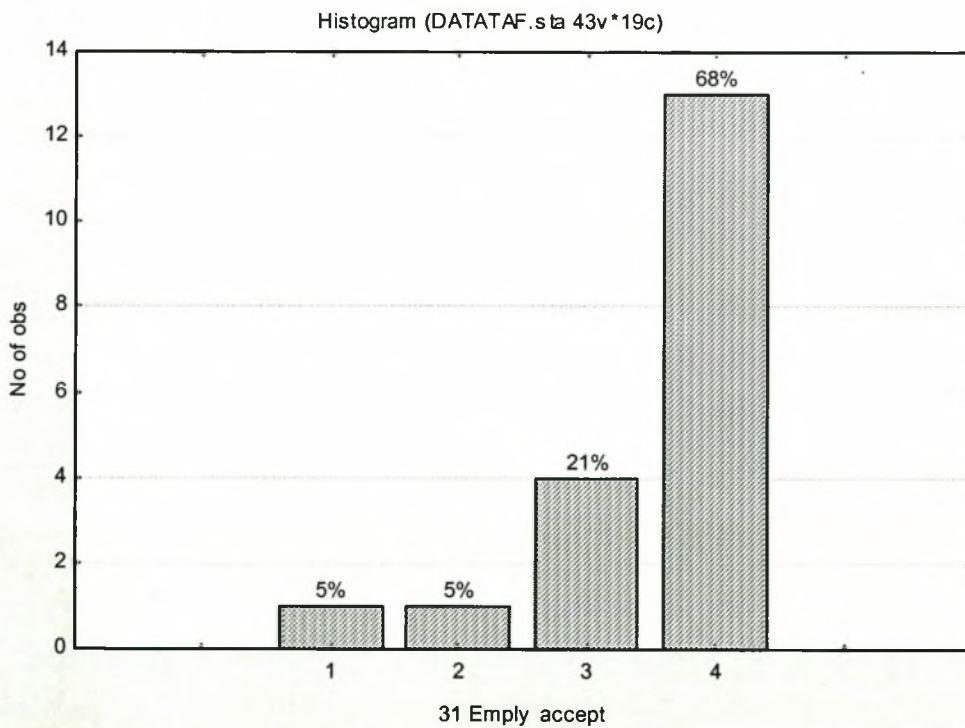


Diagram. 36

The *diagram 36* above demonstrates respondents' results and findings in addressing employees' concerns on the effect their e-business strategy might have on their jobs. Sixty-six percent (66%) of the respondents agreed that they have plans to address employees'

concerns about the effect their e-business strategy might have on their jobs while 5% disagreed. Twenty-one percent (21%) of the respondents were uncertain while another 5% disagreed strongly. In average terms, the readiness level of the respondents in this regard is affirmative with a moderate to high inference rate and readiness level.

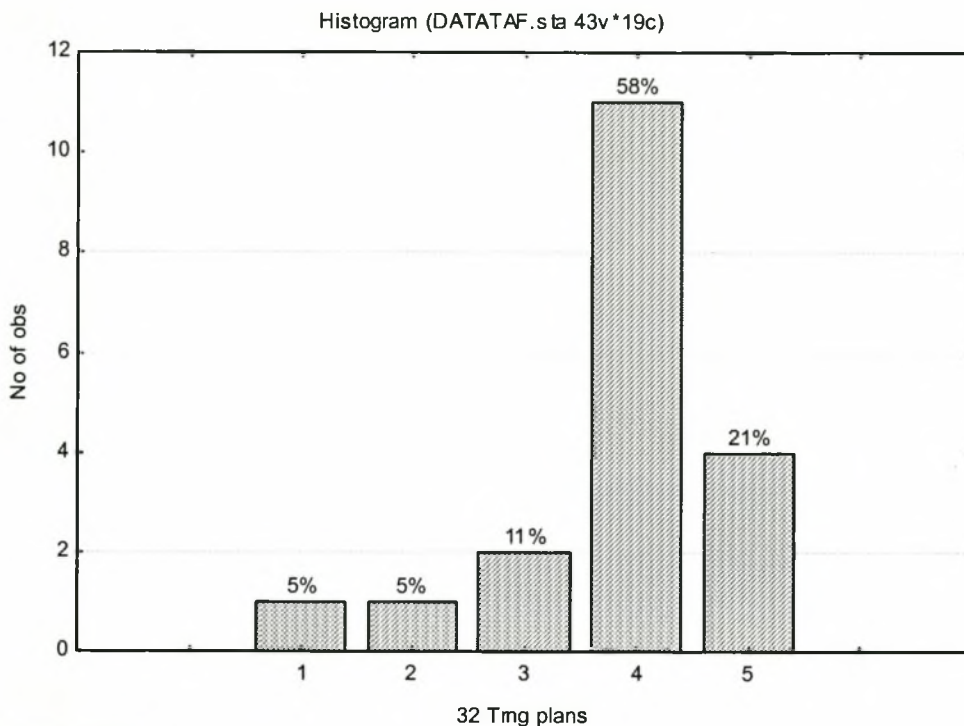


Diagram. 37

When the respondents were asked if they have plans to capacitate their employees, 58% of the respondents agreed to have plans to train their employees in the new skills needed for their e-business strategy to succeed, while 5% disagreed. Twenty-one percent (21%) agreed strongly while 5% disagreed strongly as well. Eleven percent (11%) was uncertain. The results indicate that about 79% of the respondents generally agreed to have made training provision for their employees and the general level of readiness and inference is high. *Diagram 37 above summarises the findings graphically.*

In the *diagram 38* below, respondents were asked about their systems and incentives in encouraging their employees. Forty-seven percent (47%) of the respondents disagreed to have a system in place that rewards their employees for their innovations and suggestions while there were only 32% of the respondents who agreed. Sixteen percent (16%) were uncertain whereas 5% disagreed strongly.

The results as illustrated above generally demonstrates that most of the respondents were not ready in making provisions for their employees' encouragement through systematic rewards and incentives for innovative ideas and constructive suggestions. Roughly, 52% disagreed which indicates a high negative inference and readiness by the respondents.

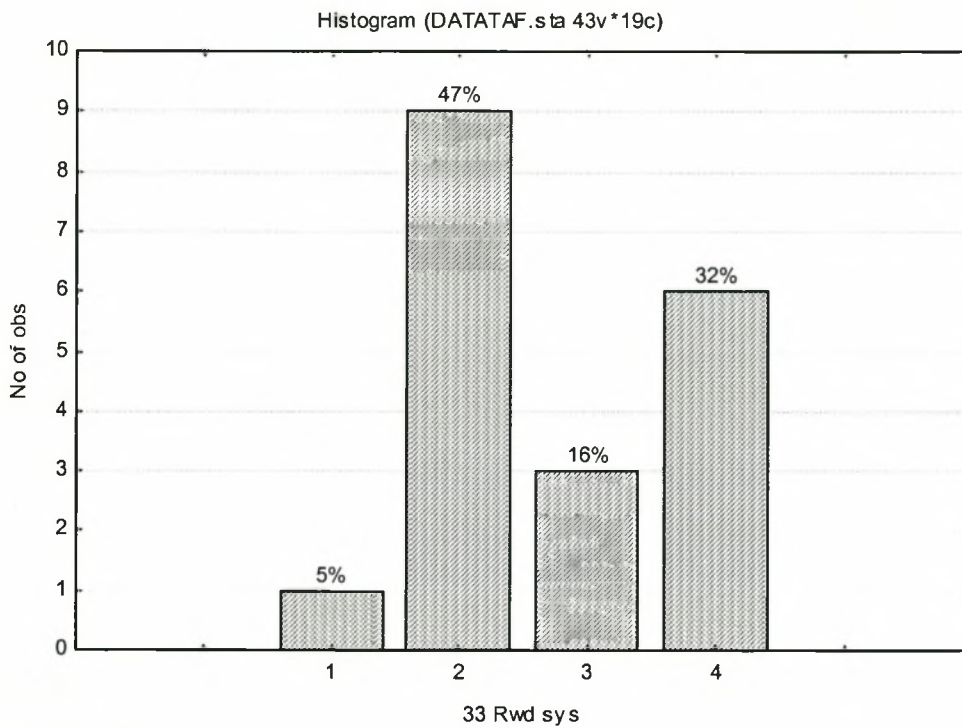


Diagram. 38

Processes

In any organisation, one of the main thrusts of e-business is process optimisation. An organisation has to understand and documents its internal processes while integrating its existing systems with new e-business initiatives. In order to get work done, every organization creates and aligns specific sequences of tasks to achieve particular purposes. The importance of e-business for processes now becomes clear. It provides the electronic means to enable connections among and between processes to take place in fundamentally new ways and at such speeds that it literally opens up the ability to radically diagram each core operating process, to create new sub processes within each core operating process, and to enable new modes of integration across the operating processes. Indeed, it seems fair to suggest that e-business requires managers to think about core operating processes in fundamentally new ways.

Electronic business systems relevancy diagnostic		Process	Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
34	We know how to modify, eliminate or integrate existing business processes as part of our e-business strategy.						
35	To streamline our internal processes, we use integrated back & front office applications						

Table. 11

The above table and following two diagrams below demonstrate the findings of the respondents' status quo on their processes. In the *diagram 39* below, forty-two percent (42%) of the respondents agreed to have knowledge on how to modify, eliminate or integrate existing business processes as part of their e-business strategy while a less moderate respondents of 37% disagreed.

Five percent agreed strongly and another 5% disagreed strongly. Eleven percent (11%) of the respondents were uncertain. Generally, 47% of the respondents agreed to have knowledge of systems planning for effective operations while 42% disagreed. This is an area in which should be embark upon by most of the respondents as the rate of inference and readiness level is low to medium.

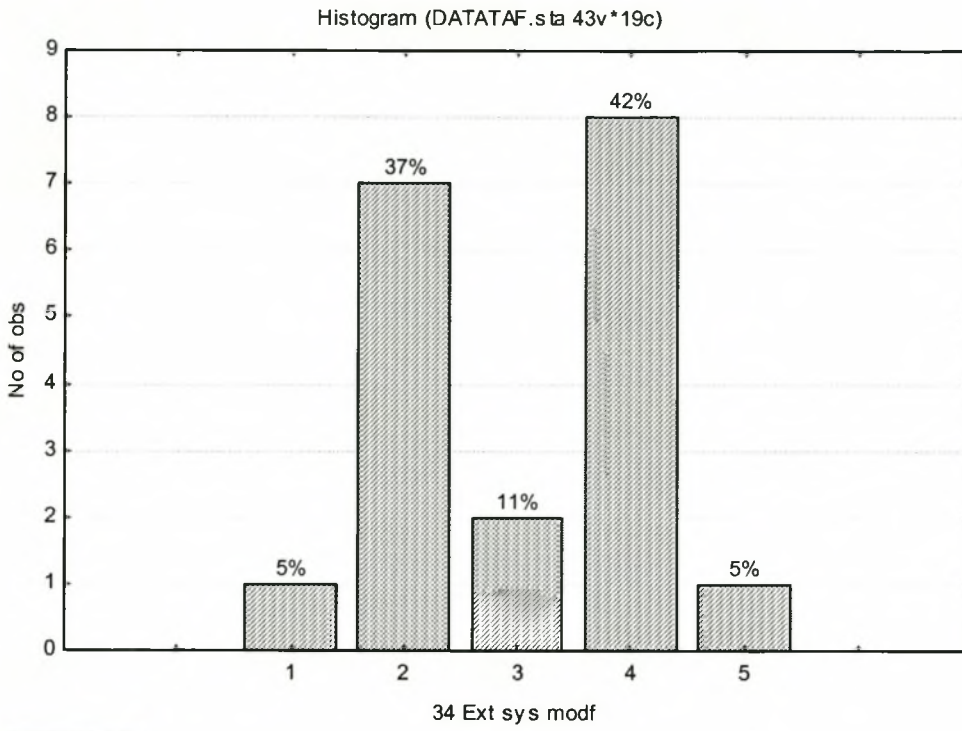


Diagram. 39

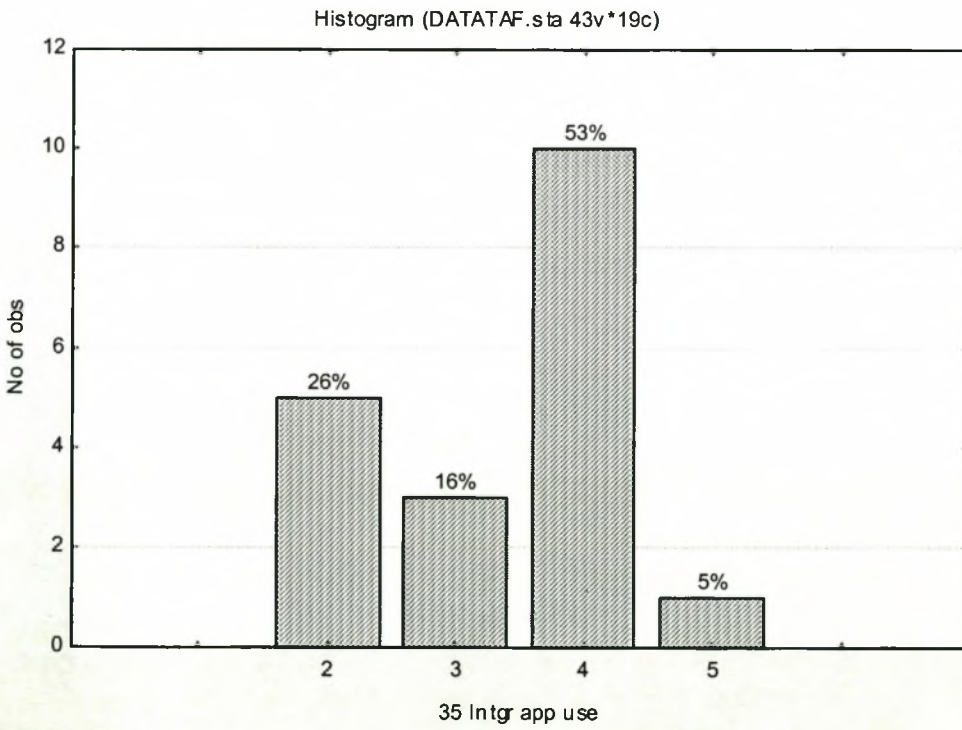


Diagram. 40

The above *diagram 40* summarises the respondents' findings in streamlining their internal processes. Fifty-three percent (53%) of the respondents agreed to have streamlined their internal processes and used integrated back and front office applications. Twenty-six percent (26%) disagreed, while 5% agreed strongly. Sixteen percent (16%) were uncertain. Roughly, 58% of the respondents agreed to have internal streamline process of their applications. This indicates a medium to high level of inference with moderate level of readiness.

Profitability

The e-business is the leveraging of network capabilities and technologies to interact and transact with customers, suppliers, partners and employees in order to achieve and sustain competitive advantage.

Leveraging the potential of any e-business venture reaches far beyond a sound-working network. Beyond the infrastructure elements of an e-business environment, success demands new management techniques and tools to maximize profits and productivity. The cost-benefit analysis of individual initiatives in the e-strategy is important, but it shouldn't be the only factor that one considers when setting priorities among those initiatives and when developing an implementation schedule. Other factors include strategic importance, implementation capability and logical sequencing.

Many businesses rush to implement selected e-business initiatives, with mixed results. Instead, they should commit enough money so that they can plan and maintain a well-thought-out e-strategy. The return on some e-business initiatives can seem difficult to quantify, but with sufficient research and well-informed assumptions, there are usually ways to estimate at least the potential range of benefits.

E-business strategy development and implementation should be ongoing processes. The development process should include realistic cost-benefit analyses of each planned e-business initiative to support the company's expectations in

- ☞ quantifying the value of e-business management
- ☞ typical strategic drivers key metrics quantifiable values of e-business management
- ☞ reducing processing costs cost per transaction; bandwidth costs optimised system performance cuts transaction costs
- ☞ increasing customer retention number of customers lost, number policies developed so business appears of repeat customers open on a continual basis to customers
- ☞ improving satisfaction across customer satisfaction by segment workload redistributed to maintain service key market segments levels for key segments during partial system failures
- ☞ achieving constant, real-time speed of providing customers with call centres provided with timely information availability of call centres needed information on business process outages

☞ optimising process channels outages caused by changes processes mapped to end-to-end, revealing in environment links to supporting technologies

Electronic business systems readiness diagnostic		Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
	Profitability					
36	We have committed enough money to the development of our e-business strategy.					
37	We expect the benefits of our e-business strategy will be more intangible, than more readily quantifiable.					

Table. 12

The respondents were asked about their funding commitment to the development of their e-business strategy as well as their expectations regarding the benefits of embarking on e-business practice. Sixty-three percent (63%) agreed to have committed enough money to the development of their e-business strategy while 16% disagreed. Eleven percent (11%) agreed strongly while 5% disagreed strongly. Only 5% of the respondents were uncertain about the funding commitment pertinent to profitability. The *diagram 41* below summarises the results as follow:

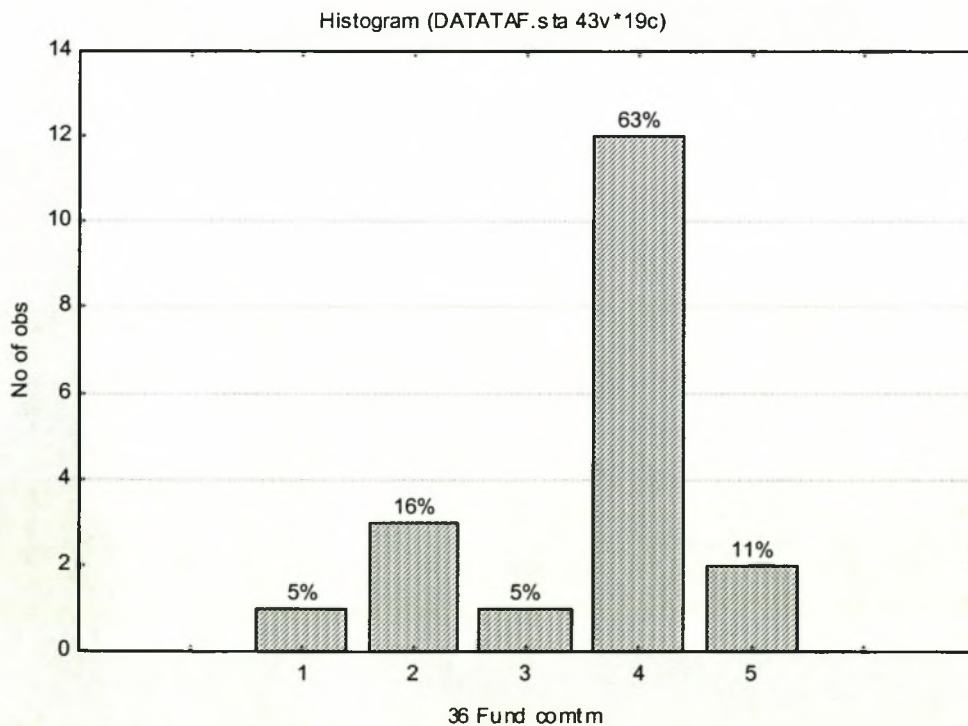


Diagram. 41

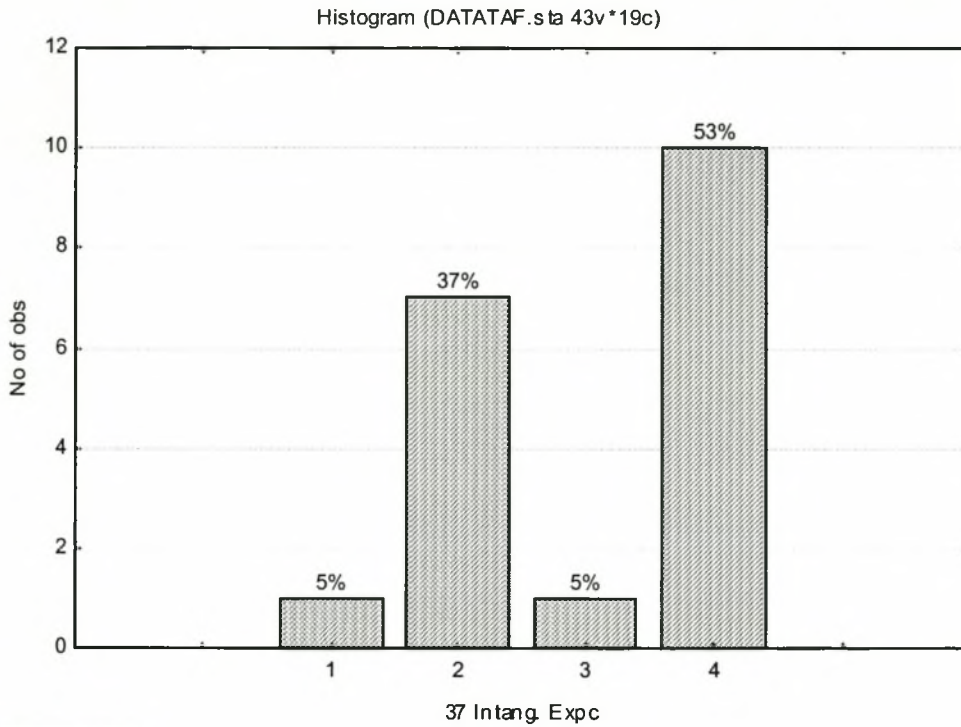


Diagram. 42

In the *diagram 42* above, respondents were asked about their expectations of the e-business strategy on whether they will be more intangible than more readily quantifiable. Fifty-three percent of the respondents agreed that their e-business strategy benefits would be more intangible than more readily quantifiable. Thirty-seven percent (37%) disagreed while 5% disagreed strongly. Five percent (5%) of the respondents were uncertain, in other words not sure of their e-business strategy benefits category. Roughly, the inference rate and the level of readiness in this regard is moderate and about 42% of the respondents were less ready.

Urgency

An organisation should be able to identify problems requiring a sense of urgency that cause a major pain in core business in the majority of the institutions within the industry. The long-term success requires that business-to-business solutions that attract and retain the critical mass of transactions are only achievable by offering a real value and a level playing field to all stakeholders.

Electronic business systems readiness diagnostic		Agree strongly	Agree	Uncertain	Disagree	Disagree strongly
Urgency						
38	We have a clear understanding of how e-business can best be incorporated within our business plan.					
39	Our e-business strategy is complete, up-to-date, and ready to be implemented.					
40	We have aligned all of the resources, both internal and external; we need to go forward with our e-business strategy.					

Table. 13

The above table and the *diagram 43* below, summarises the respondents' findings on the urgency of the e-business planning and actions to be taken. When the respondents were asked about their understanding and knowledge of e-business incorporation with their business plans, 84% of the respondents agreed to have a clear understanding of how e-business can best be incorporated within their business plans while 5% disagreed and 11% agreed strongly.

There were no respondents who disagreed strongly and or had uncertainties. The results and findings suggest that about 95% of the respondents agreed to have knowledge of e-business incorporation with business plans, which indicate very high level of readiness and inference rate.

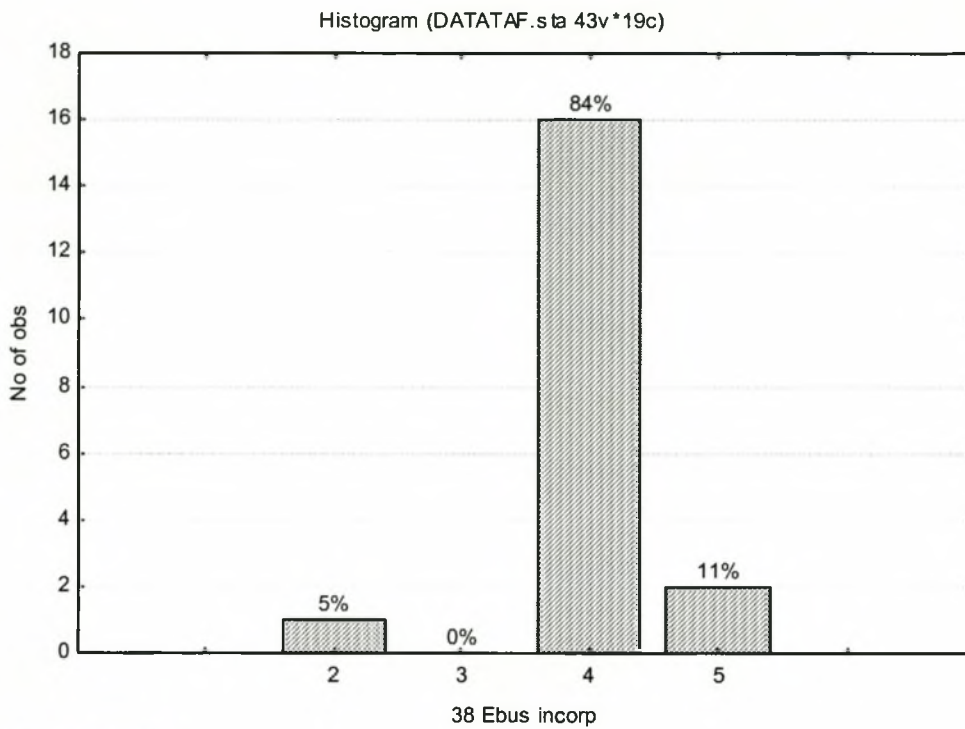


Diagram. 43

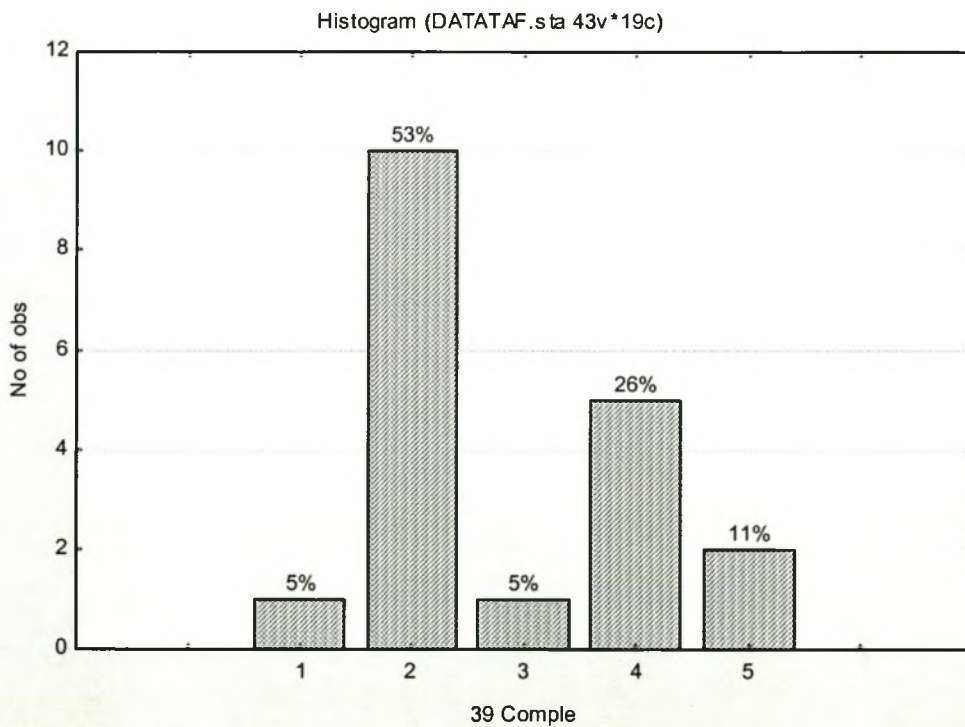


Diagram. 44

The above *diagram 44* highlights the level of less readiness of the respondents on e-business strategy completion and implementation. Fifty-three percent (53%) of the respondents disagreed that their e-business strategy was complete, up-to-date and ready to be

implemented; in addition 5% also disagreed strongly. Twenty-six percent (26%) of the respondents agreed to have completed their strategy and 11% also agreed strongly. The remaining 5% were uncertain.

The general indication as per statistics and graphic analysis suggest that the respondents were almost not ready at all, off which the question was critical in understanding their level of readiness in implementing e-business systems application. Most of the respondents had not completed their e-business strategy, which elevates questions about their readiness, as the inference rate shows is less sturdy.

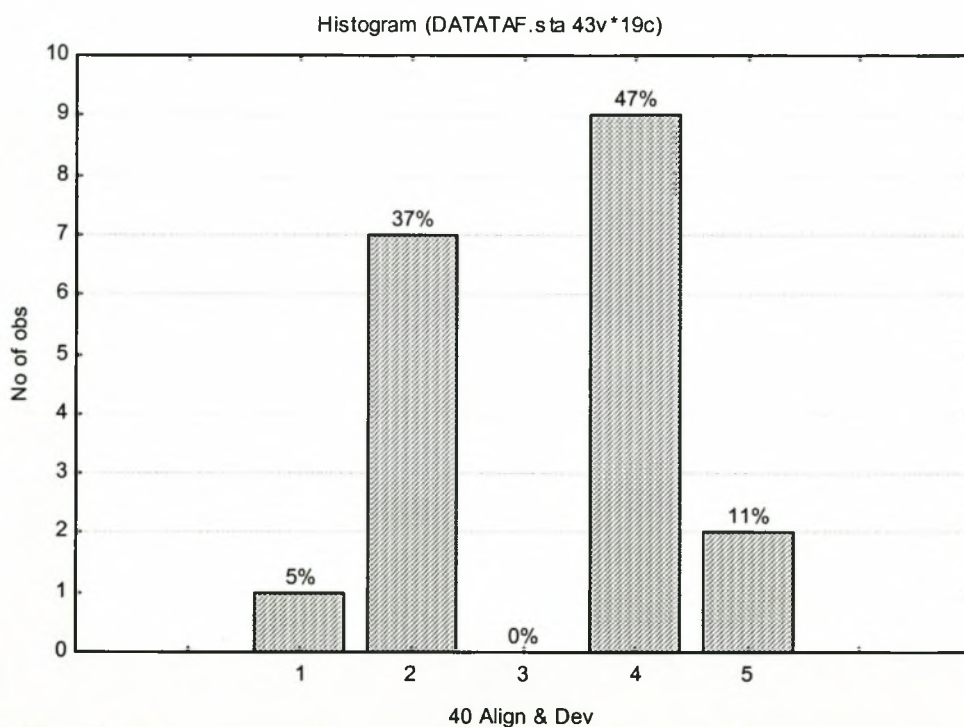


Diagram. 45

The *diagram 45* above also demonstrates the readiness level of the respondents in aligning their resources internally and externally. Forty-seven percent (47%) of the respondents agreed to have aligned their resources and needed to move forward with their e-business strategy while 37% disagreed. Eleven percent (11%) agreed strongly while 5% disagreed strongly. The respondents' results indicate that 58% agreed and were ready to move forward with their e-business strategy and planning while 42% roughly disagreed. The results indicate a medium level of readiness by the respondents.

Appendix B

Effective hypothesis composition- (Correlations)

An attempt was also made to verify possible effective correlations within the variables. The diagrams listed in this appendix show all the hypothesis decomposition effectiveness.

The variables were tested in terms of the effective composition of data analysis, categorical data (category versus category) and ANOVA (continuous data versus categorical data) tools were both used situational. The tables 14, 15, 16, 17 and 18 demonstrate the data received and diagram 46, 47 & 48 also shows the illustration of the findings as follows:

According to *Summary Frequency Tables 17 & 18* on effective hypothesis decomposition of e-business completion and e-business insight, there was a significant difference in the respondents’ response. The P. value was 0.04815. In a nutshell, this indicates that there is a correlation between respondents’ responses i.e.

- ☛ Respondents’ familiarity with e-business practice and
- ☛ Alignment of resources and e-business strategy forward movement.

Sector/Field; LS Means

Univariate Tests of Significance for AVERAGE (DATA1.sta) Sigma-restricted parameterization Effective hypothesis decomposition					
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	163.1683	1	163.1683	847.3930	0.000000
Sector/Field	0.6298	3	0.2099	1.0902	0.383533
Error	2.8883	15	0.1926		

Table. 14

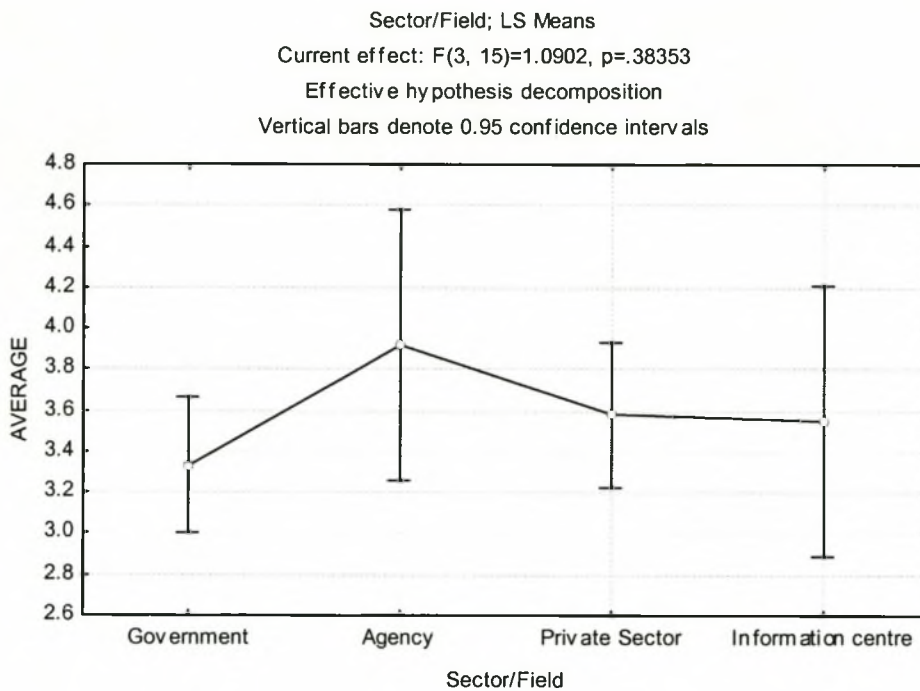


Diagram. 46

According to the above *diagram 46*, there was no significant difference in correlation between sector/field variables. The P value is greater than the significant difference, which is less or equal to 0.05. Almost in all the effective hypothesis decomposition tests observed, there is no effective significant difference in terms of the P value except for the following significant differences that were tested and found to have a distinctive P value significance:

- ☞ E-bus insight – significant difference between likert dimensions (yes and definitely) of 0.01536
- ☞ E-bus knowledge – significant difference between likert dimensions (yes and definitely) of 0.01287
- ☞ E-bus insight – significant difference between e-bus insight and e-bus strategy complete and ready to be implemented questions with a P value of 0.004815
- ☞ E-bus insight – significant difference between e-bus insight and e-bus strategy alignment questions with a P value of 0.002251

E-bus Insight significant difference:

A significant difference was found between the likert dimension yes and definitely of the questionnaire. The e-bus insight question, which was asked the respondents, is “Are you familiar with the practice of electronic business? Similar to the e-business knowledge likert

score dimensions was definitely, yes, partly, no and not sure. The significant difference was found to be between definitely and yes dimensions with very high inference, which led to the P value of 0.01536.

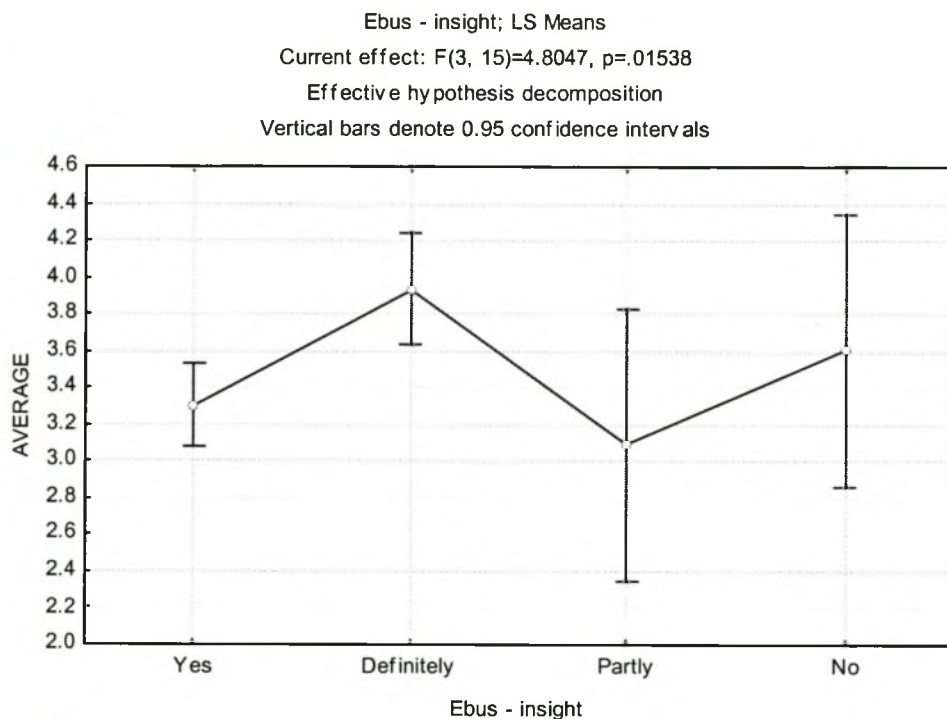


Diagram. 47

Bonferroni test; variable AVERAGE (DATA1.sta) Probabilities for Post Hoc Tests Error: Between MS = .11960, df = 15.000					
Cell No.	Ebus - insight	{1}	{2}	{3}	{4}
1	Yes		0.016376	1.000000	1.000000
2	Definitely	0.016376		0.235724	1.000000
3	Partly	1.000000	0.235724		1.000000
4	No	1.000000	1.000000	1.000000	

Table. 15

E-business knowledge significant difference

A significant difference was also between likert dimension yes and definitely of the questionnaire of the question five. The e-bus knowledge question, which was asked the respondents, is “Do you have a good understanding of electronic business benefits, applications, trends, and models as they apply to you”?

Exactly the same as the e-business insight likert score dimensions used definitely, yes, partly, no and not sure. The significant difference was found to be between definitely and yes dimensions with very high inference, which led to the P value of 0.01538.

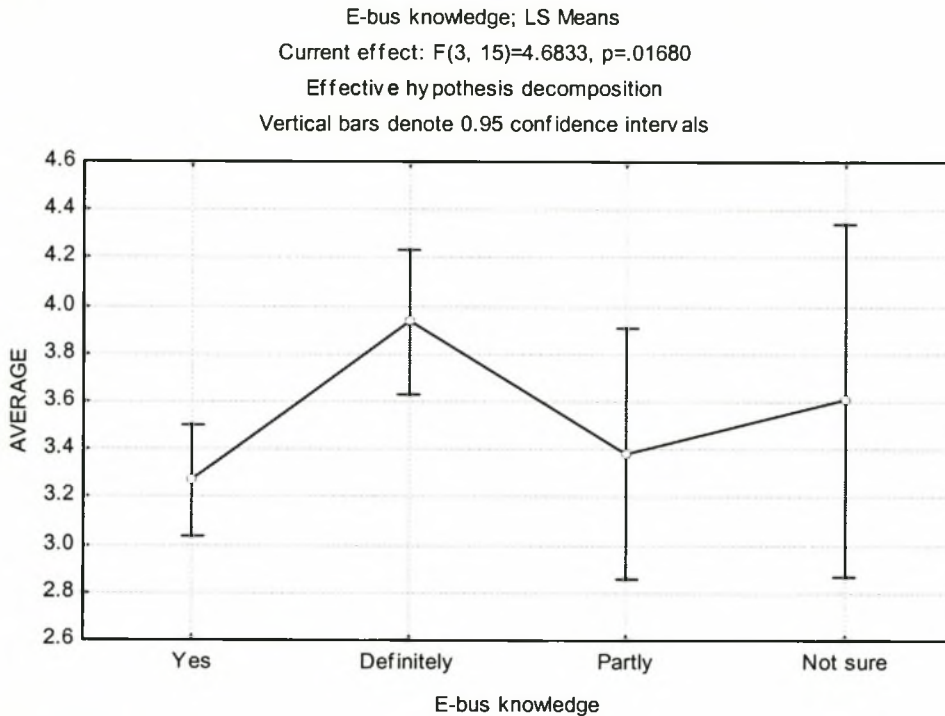


Diagram. 48

Bonferroni test; variable AVERAGE (DATA1.sta)					
Probabilities for Post Hoc Tests					
Error: Between MS = .12110, df = 15.000					
Cell No.	E-bus knowledge	{1}	{2}	{3}	{4}
1	Yes	3.2697	3.9343	3.3788	3.6061
2	Definitely	0.012874		0.416717	1.000000
3	Partly	1.000000	0.416717		1.000000
4	Not sure	1.000000	1.000000	1.000000	

Table. 16

Complete, up-to-date and ready e-bus strategy and e-bus insight

The significant value is applicable to question thirty-nine of the questionnaire. The question was if the respondents strongly agree, agree, disagree, strongly disagree or not applicable that their e-business strategy is complete, up-to-date, and ready to be implemented. The P value was 0.004815. The question asked about the e-business insight of the respondents.

Summary Frequency Table (DATA1.sta)						
Marked cells have counts > 10						
(Marginal summaries are not marked)						
Ebus - insight	39 Comple 1	39 Comple 2	39 Comple 3	39 Comple 4	39 Comple 5	Row Totals
Yes	0	8	0	3	0	11
Definitely	0	1	1	2	2	6
Partly	1	0	0	0	0	1
No	0	1	0	0	0	1
All Grps	1	10	1	5	2	19

Table. 17

Summary Table: Expected Frequencies (DATA1.sta)						
Marked cells have counts > 10						
Pearson Chi-square: 28.4136, df=12, p=.004815						
Ebus - insight	39 Comple 1	39 Comple 2	39 Comple 3	39 Comple 4	39 Comple 5	Row Totals
Yes	0.578947	5.78947	0.578947	2.894737	1.157895	11.00000
Definitely	0.315789	3.15789	0.315789	1.578947	0.631579	6.00000
Partly	0.052632	0.52632	0.052632	0.263158	0.105263	1.00000
No	0.052632	0.52632	0.052632	0.263158	0.105263	1.00000
All Grps	1.000000	10.00000	1.000000	5.000000	2.000000	19.00000

Table. 18*E-bus strategy and e-bus insight*

The respondents were asked if they had aligned all of their resources, both internal and external and whether they needed to go forward with their e-business strategy. The P. value was **0.04815**.

12.2 Appendix C

Electronic Business Systems Readiness Diagnostic Questionnaire

Purpose of the Questionnaire:

To obtain the opinions of the relevant people whose organizations have been selected for the study purposes regarding their organizations' readiness in electronic business systems practice in the Western Cape tourism industry? The study intends to assess the readiness of the selected tourism organizations pertinent to their electronic business systems application. The questionnaire is solely, meant for the *academic research* thesis requirements of the University of Stellenbosch in MPhil degree in information and knowledge management. The electronic business diagnostic has been designed by the BDC consulting group to help you measure the readiness of electronic business practice for your organization and to provide you with meaningful and helpful information aimed at assessing your organisation's status quo in IT, management, customers, suppliers, competition, fulfillment, personnel, processes, profitability and urgency.

Confidentiality:

Please note that the information obtained from respondents is solely for the research purposes and will at all times be treated as confidential. However, any findings and research outcomes will be disclosed on request for information sharing purposes.

Instructions:

- There are no correct or incorrect answers.
- Decide to what degree each the following statements describes your organization best and/or envisaged the Western Cape Tourism's electronic business practice
- Select one of the following:
 - Agree strongly
 - Agree
 - Not Applicable (Unsure)
 - Disagree
 - Disagree strongly

Example:

ELECTRONIC BUSINESS SYSTEMS RELEVANCY & READINESS DIAGNOSTIC		Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
1	People can search for information across a wide variety of applications and databases		x			

Please tick an appropriate box

1. At which type of organisation do you work?

Government	Private sector	Agency	Information Centre	Service Provider
------------	----------------	--------	--------------------	------------------

2. What is your Job Designation?

Top management	Senior management	Junior management	Administrative	Other
----------------	-------------------	-------------------	----------------	-------

3. How long have you worked in your Organisation?

<input type="checkbox"/> < 2 years	<input type="checkbox"/> 3 - 5 years	<input type="checkbox"/> 6 - 10 years	<input type="checkbox"/> 11 - 15 years	<input type="checkbox"/> > 16 years
------------------------------------	--------------------------------------	---------------------------------------	--	-------------------------------------

4. Are you familiar with the practice of electronic business?

<input type="checkbox"/> Definitely	<input type="checkbox"/> Yes	<input type="checkbox"/> Partly	<input type="checkbox"/> No	<input type="checkbox"/> Not sure
-------------------------------------	------------------------------	---------------------------------	-----------------------------	-----------------------------------

5. Do you have a good understanding of e-business benefits, applications, trends, options and models as they apply to you?

<input type="checkbox"/> Definitely	<input type="checkbox"/> Yes	<input type="checkbox"/> Partly	<input type="checkbox"/> No	<input type="checkbox"/> Not sure
-------------------------------------	------------------------------	---------------------------------	-----------------------------	-----------------------------------

6. Our web site went online in the last...

<input type="checkbox"/> 6 months	<input type="checkbox"/> 12 months	<input type="checkbox"/> 2 years	<input type="checkbox"/> > 4 years	<input type="checkbox"/> Don't know
-----------------------------------	------------------------------------	----------------------------------	------------------------------------	-------------------------------------

7. The content on our web site is updated...

<input type="checkbox"/> Daily	<input type="checkbox"/> Weekly	<input type="checkbox"/> Monthly	<input type="checkbox"/> Annually	<input type="checkbox"/> Don't know
--------------------------------	---------------------------------	----------------------------------	-----------------------------------	-------------------------------------

ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC		Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
<div style="border: 1px solid black; padding: 5px; display: inline-block;">ICT Status</div>						
8.	Our employees have access to the ICT equipment at work.					
9.	We have the internal capabilities to meet all of our IT needs.					

ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC		Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
Management						
10.	We have already developed an e-business strategy and action plan that we believe will work for our company and is outlined in the Business plan.					
11.	We have determined what parts of our business should be put online.					
12.	We have determined how to deal with the impacts e-business might have on our existing distribution channels, including potential channel conflicts.					
13.	Senior management is strongly committed to the e-business strategy initiative.					
14.	We have designated an e-business champion who is accountable for the timely implementation of the e-business strategy.					
15.	We have identified performance measures to evaluate the success of our e-business strategy.					
ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC		Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
Customers						
16.	We have determined the extent to which marketing online is important to our company.					
17.	Customer input is a valuable component of our e-business planning.					
18.	Our web site meets all of our customers' needs to get information from us and to do business with us.					
19.	We use customer relationship management (CRM) software to help us track and cater to customers' individual needs.					
ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC		Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
Competition						
20.	We know about the e-business initiatives of our competitors and other players in our industry, and we have determined how this could affect our competitiveness.					
21.	We have assessed the possibility of new competition arising from companies outside our traditional industry.					

ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC		Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
Fulfilment						
22.	We have a plan for dealing with unanticipated surges in demand that may result from our online marketing and sales efforts.					
23.	We have established an online after-sales service and support capability.					
24.	We have determined how information technology applications could streamline our fulfilment cycles.					
ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC		Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
Suppliers						
25.	We have determined whether we can reduce procurement costs by purchasing online.					
26.	We have used online marketplaces or exchanges to find and buy supplies or materials.					
27.	We use supply chain management (SCM) software to manage our supplier network and optimise our interactions with them.					
28.	We have made input from suppliers a valuable part of our e-business planning.					
ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC		Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
Personnel						
29.	Once we have our e-business strategy up and running, we expect it to require changes to our corporate culture.					
30.	We have properly communicated our e-business strategy to our employees.					
31.	We have a plan for addressing employee concerns about the effect our e-business strategy might have on their jobs.					
32.	We have a plan for training employees in the new skills they will need for our e-business strategy to succeed.					
33.	We have a system in place that rewards our employees for their innovations and suggestions.					

	ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC Processes	Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
34.	We know how to modify, eliminate or integrate existing business processes as part of our e-business strategy.					
35.	To streamline our internal processes, we use integrated back & front office applications					
	ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC Profitability	Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
36.	We have committed enough money to the development of our e-business strategy.					
37.	We expect the benefits of our e-business strategy will be more intangible, than more readily quantifiable.					
	ELECTRONIC BUSINESS SYSTEMS READINESS DIAGNOSTIC Urgency	Agree strongly	Agree	Not Applicable	Disagree	Disagree strongly
38.	We have a clear understanding of how e-business can best be incorporated within our business plan.					
39.	Our e-business strategy is complete, up-to-date, and ready to be implemented.					
40.	We have aligned all of the resources, both internal and external; we need to go forward with our e-business strategy.					

For more information:

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Electronic business

It is the utilization of electronically enabled communication networks that allow enterprises to transmit and receive information in a variety of mediums for a variety of purposes⁸¹. It is a wider concept that embraces all aspects of the use of information technology in business as it includes not only buying and selling online but also servicing customers and collaborating with business partners, and often involves integration across business processes and communication within the organization⁸². It is not just about e-commerce transactions, it's about redefining old business models, with the aid of technology, to maximize customer value. It is the overall strategy and e-commerce is an extremely important facet of e-business.

Destination Marketing Organization (DMO)

It is a single “one stop shop” tourism organization proposed by the Ministerial Tourism Task Team to conduct tourism marketing on behalf of the Western Cape Provincial Government, City of Cape Town and all the district and local municipalities within the province. Its main objectives are to facilitate and spearhead product packaging and development while also coordinating and managing tourism information and research including operation of Gateway Visitor Information Centres⁸³.

Background

The White Paper on Sustainable Tourism Development prescribed that a single marketing agency - Destination Marketing Organization (DMO) be established to incorporate all the provincial marketing activities within one organisational structure. A high profile and experienced tourism task teams were designated to devise a unique marketing strategy for the tourism industry in the Western Cape. The task teams recommended that the DMO should be established and developed to coordinate provincial and city marketing activities of the tourism industry.

The Province and the City appointed an e-business champion who is accountable for the timely implementation of the e-business strategy within the tourism sector. The public sector tourism organisations require the modern e-business systems to enable them to work effectively and in close co-operation with each other including the private sector. The vision

⁸¹ Fellenstein, C. & Wood, R. (2000:26)

⁸² Rowley, J. (2002:2)

is of integrated systems, linking all levels of the tourism structures: nationally, provincially, regional/metropolitan and locally for collaborative and competitive advantages.