LEVERAGING TOURISM AND HOSPITALITY BUSINESS PERFORMANCE THROUGH INFORMATION COMMUNICATION TECHNOLOGY: A CASE STUDY OF TOUR OPERATORS IN HARARE AND VICTORIA FALLS.

BY

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**ABSTRACT**

The tourism industry has been a key pillar in the economic development of Zimbabwe. In 2009 the government established a stand-alone Ministry of Tourism and Hospitality industry thus recognizing the role that tourism played in the overall economic development of the country. The tourism industry is regarded as a major source of employment creation, a contributor to the country’s gross domestic product (GDP) and a source of foreign currency.

The distribution of the tourist product has witnessed major changes as a result of the adoption and use of information communication technologies (ICTs) by both stakeholders in the tourism industry and tourists. The use of the internet and the World Wide Web created a situation whereby potential tourist were able to source information for their holiday needs directly from the suppliers using the internet. Tour operators had therefore to adopt new business models in order to survive in the new business environment.

The purpose of this study was to investigate the strategies that tour operators in Zimbabwe can adopt in order to improve their competitive advantage through the use of information communication technologies. This study focussed on investigating the extent to which the Zimbabwean tour operators were using the ‘traditional’ model for product distribution. It assessed the level of adoption of information communication technologies by the tour operators and identified the main deterrents to ICT adoption.

The objectives of the study were:

1. to assess the extent to which Zimbabwean tour operators are still using the “traditional” tour operator business model;
2. to identify the factors limiting the adoption of information communication technology based business models by tour operators in Zimbabwe;
3. to develop an appropriate business model for Zimbabwe tour operating enterprises;
4. to recommend ways in which Zimbabwean tour operators can enhance their business performance and sustainability using an ICT based business model; and
5. to make policy recommendations to government that will encourage tourism enterprises to adopt information communication technologies in their

The research was based on a sample of 181 registered tour operators drawn from Harare and Victoria Falls. The study also identified ten key informants from the tourism industry with whom face-to-face interviews were held. Finally, an analysis of the websites of the sampled tour operators was carried out with a view of triangulating the data from survey of the tour operators and the outcomes of the respondents’ interviews.

The results indicated that the majority of the tour operators had adopted one form of ICTs or another which were mainly used for distribution of information about their services and holiday products. The study established that tour operators faced several challenges in their attempts to integrate ICTs in their operations. Respondents indicated that tour operators were the poorest users of information communication technologies in the tourism industry in the country. On the whole, it was concluded that the country’s tour operators were yet to embrace ICTs as part of their business strategy.
The study developed a bimodal distribution model to be used by the tour operators to distribute their products and services. The recommendations provided in the study include; improvement of macroeconomic environment, policy coordination, rolling out ICT education programmes for tour operators and lobbying for return of major airlines into Zimbabwe. It was therefore recommended that the Ministry of Tourism and Hospitality Industry takes the lead in implementing programmes that will incentivize tour operators to adopt ICTs in their operations.

The study recommended that the Ministry of Tourism and Hospitality Industry lobbies government to creation an overall conducive business environment that would assist tour operating enterprises to flourish. The ministry further needs to engage the different ministries whose activities affect the tourism industry with a view of streamlining policy frameworks. The study also recommended that the Ministry of Tourism and Hospitality Industry hold discussions with tourism stakeholders with a view of coming up with strategies to mainstream tourism in the national ICT policy. It was also recommended that the line ministry roles out an ICT training programme for middle managers in tour operation enterprises. The study further recommended that the Ministry of Tourism and Hospitality Industry works closely with the Ministries of Transport and Infrastructure Development and Foreign Affairs, to lobby for the return of international airlines to the country. Finally the study recommended that the Zimbabwe Council for Tourism organizes a series of market research short courses to bridge the knowledge gap within the tour operators’ middle and senior management staff.
DEDICATION

This thesis is dedicated to my family, my wife Leonorah, my daughter Chido, my sons Simbarashe, Taurai and Garikai and my daughter in-law Tumi. I am forever grateful for the bemused encouragement they gave me throughout the journey of this study.
ACKNOWLEDGEMENTS

I would like to acknowledge the committed support and guidance that I received from my two supervisors, Dr Edmond Marunda and Dr. Nyasha Kaseke. Their experience and knowledge in research was a major eye opener for my intellectual growth.

I am indebted to Dr. Godfrey Muponda who gave me useful guidance at the beginning of my studies. To Professor Isaac Chaneta I will always be eternally grateful for his encouragement and insightful comments.
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CHAPTER 1

INTRODUCTION TO THE STUDY

1.0 Introduction

The tourism industry is based on a number of other sectors and is linked to a wide range of activities. There are therefore a variety of definitions that have been advanced to explain the phenomenon. One of the classic definitions is that by Burkhart and Medlik, (1981:42) who defined tourism as “the temporary short term movement of people and their activities during the stay at these destinations”. According to McIntosh and Goeldner, (1990:6) tourism is “the sum of the phenomena and relationship arising from the interaction of tourists, business supplies, host governments and host communities in the process of attracting these tourists and other visitors”. In order to have some measure of comparability in terms tourism data most countries, however use the United Nations World Tourism Organization (UNWTO) (2007:1) definition which states that:

“Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities some of which imply tourism expenditure”.

The definition offered by Burkhart and Medlik gives a broad conceptual explanation of what tourism involves. It further highlights the temporary nature of the phenomenon. However, it does not clarify who constitutes a tourist and how they can be measured for statistical purposes. The definition advanced by McIntosh and Goeldner suffers a similar weakness to that of Burkhart and Medlik. It highlights what tourist do and how they relate to the host communities indicating clearly who a tourist is.
This study therefore adopts the UNWTO definition of tourism because it offers both a conceptual explanation of the phenomenon as well as a practical way of enumerating the different types of tourists. Table 1.1 shows the composition of the tourism industry. It clearly reveals how the sector is made up of several components from other industries. A wide range of organizations and public sector institutions facilitate the development of the sector.

Table 1.1: Composition of the tourism industry

<table>
<thead>
<tr>
<th>Category</th>
<th>Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>Road, rail, water and air</td>
</tr>
<tr>
<td>Accommodation</td>
<td>Hotels, lodges, camping sites, apartments</td>
</tr>
<tr>
<td>Travel organizations</td>
<td>Tour operators, travel agents</td>
</tr>
<tr>
<td>Destinations management organizations</td>
<td>Tourism authority, tourism ministry</td>
</tr>
<tr>
<td>Ancillary services</td>
<td>Banking, insurance, immigration</td>
</tr>
<tr>
<td>Tourist attractions</td>
<td>Natural attractions, manmade attractions</td>
</tr>
</tbody>
</table>

Source: adapted from Middleton (1994: 4)

The different components of the tourism industry shown in table 1.1 above are the key elements that tour operators interface with when undertaking their business. Whilst elements like transport and accommodation are major suppliers of the products that the tour operator uses in producing holiday packages others like travel agents are key partners in the distribution of the holiday packages.

The holiday product is made up of the different components that constitute the tourism industry. It includes elements of accommodation, transport, attractions and specific activities at the holiday destination. Given the multiplicity of the items that make up a holiday product the role of the tour operator is that of consolidating the various items into a single holiday package. A tour operator can thus be defined as an organization that purchases different
components of the tourist product in bulk from the principals and consolidates them into one holiday package (Holloway and Robson, 1995:71).

1.1 Background to the study

The global tourism industry has witnessed phenomenal growth since the end of the Second World War. International tourist arrivals have grown from a total of 25 million in 1950 to 685.5 million in 2000 and reached a total of 1184 billion in 2015 (United Nations World Tourism Organization, 2016:1). According to the World Travel and Tourism Council (WTTC), 2016), the sector has contributed 10% of the GDP of the world economy and accounted for 9% of global employment in 2015. In its “Vision 2020” which has used 1995 as the base year, the UNWTO has forecast that tourist arrivals will grow annually by 4% and estimates that the total number of global arrivals will reach 1.6 billion in 2020. Since the mid-1840s, tour operating enterprises have been at the forefront of creating holiday packages and making sure that they are accessed by potential travellers.

Traditionally, the tour operators occupied a central position in the distribution chain for tourism products. They linked producers with customers. Their central position is, however, being challenged by the adoption and the use of information communication technologies (ICTs) in the industry. The adoption of information communication technologies and the introduction of the internet have led to the development of new business models for product distribution. According to Buhalis (2013: 6), information communication technologies cover a wide variety of electronic tools that enable enterprises to effectively manage their business information, data processing and communication with customers through integrated systems of equipment and software.
Globally there are generally three categories of tour operators. Similar categories are also found in Zimbabwe. Table 1.2 below shows the categories of the tour operators and their main activities.

### Table 1.2: Typology of tour operators and their activities

<table>
<thead>
<tr>
<th>Category</th>
<th>Main Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outbound tour operator</td>
<td>Focus on creating and packaging international holidays for sell to tourists in their own markets who are in search of foreign holidays.</td>
</tr>
<tr>
<td>Inbound tour operator</td>
<td>They are based in the holiday destination. They create holiday products for sell to international tourists. The holiday packages are either sold directly to the tourists or sold through tour operator based in the source markets.</td>
</tr>
<tr>
<td>Ground tour operator</td>
<td>They are based in the holiday destination. They provided travel services on the ground in the destination area. For example, they transfer clients from airports to hotels using their own transport or take customers on game drive in national parks using their own vehicles.</td>
</tr>
</tbody>
</table>

Source: Adapted from Saffery et al (2007:7)

### 1.1.1 Current trends in tour operations

The tourism industry has experienced major evolutions since the growth of mass tourism during the 1960-1970 period which have rendered the traditional distribution model inadequate. The evolutions have encompassed changes in the characteristics of the customers, products on offer, and the supply chain. They have also influenced the growth of innovations in the value chain and caused gradual changes in the enterprises business model. One of the major drivers of change in the business model within the tourism industry has been the growth and adoption of information communication technology as a key tool for product distribution and for communicating with potential customers (Alford, 2007; Buhalis and Soo, 2009; Karcher, 1996 and Poon, 1993).
The growth of the use of information communication technologies in the tourism industry has meant that tour operators and travel agencies have had to re-engineer their structures and adopt new business models in order to respond to the changes occurring in the business environment. At present, the internet is the fastest growing distribution channel of the tourist product (Poon:2011). For example the global number of internet users is estimated to have grown from two billion in 2010 to 2.7 billion in 2013 (International Telecommunication Union,2013:2).

The changes that are taking place in the tourism industry at the global level with regard to channels of distributing the tourist products are the result of several factors. Firstly business enterprises are responding to changes in customer demands and characteristics. For example, tourists are looking for products that meet their individual needs for experiential holidays. Secondly the tourists are also taking more frequent holidays for a shorter duration and are taking less time between the time of decision-making and going on holiday (Liu, 2005:3). Tour operators are also responding to the competitive business environment that has been brought in by new players in the industry whose business model is internet based.

Finally, the growth of customer driven internet social media platforms like Twitter, Utube, Face book, MySpace, Blogs and LinkedIn, which offer consumers the ability to exchange comments and views on their holiday experiences in different destinations around the world, has meant that tour operators had to re-engineer their business model in order to remain competitive. For example in 2010 Trip advisor.com, a tourism consumer social network site, hosted an average of 50 million reviews per month (Trip advisor, cited by Fotis et al 2013:1). The influence of these platforms is enhanced by their ability to offer photographs and video clips of the products used and holiday destinations visited. Tour operators who do
not embrace the use of information communication technologies in their business operations are therefore in danger of losing business to competitors.

The adoption of information technologies in the business operations of tour operators has brought with it a number of competitive advantages which include the following (Buhalis, 2013 and Shanker, 2008):

- enterprises are able to offer their products and services to a global market twenty four hours, seven days a week throughout the year;
- there are no more geographical and legal barriers to market entry;
- organizations have a platform to offer potential customers large quantities of free information on holidays in different parts of the world;
- enterprises are able to reduce communications and operational costs, enhance their flexibility and to become innovative in product offerings and
- organizations are encouraged to be more transparent with regard to prices, products on offer and contractural arrangements.

Whilst the use of information communication technologies by tour operators in the developed countries is high, (Salvado et al 2012, Reino, 2013), this is not the case in the majority of developing countries (Karanasios, 2007, Shanker, 2008, Wanjau et al 2012). Developing countries suffer from what Shanker (2008:56) has referred to as the “Digital Divide”. Tour operators in these countries, which include Zimbabwe, face a number of challenges in the adoption of information communication technologies in their businesses. Some of the challenges faced by tour operators in developing countries include the following (Karanasios, 2007:31):

- high costs of information communication technologies hardware and software and lack of capital for investment;
• lack of management appreciation of the role and importance of information communication technologies in business operations;
• lack of government incentives to facilitate introduction of information communication technologies in the industry;
• underdeveloped information communication technologies infrastructure;
• lack of manpower with adequate information communication technologies skills and experience;
• unreliable and expensive telecommunication services and
• unreliable power supply.

Given the increasing numbers of tourists who are using the internet for sourcing information and purchasing their holidays (Salvado, 2012), tour operators in the developing countries including those in Zimbabwe will have to endeavour to adopt the use of information communication technologies in their business operations. Failure to do so may lead to the demise of the business (Buhalis, 2013).

1.1.2 Tourism development in Zimbabwe

The Zimbabwean tourism industry is based on the country’s natural resources, people, history, culture, amenities and superstructure. The government has since independence in 1980 established institutional frameworks to develop and manage the industry. Tourist arrivals to the country have been affected by both internal and external factors and in turn the trend in arrivals has affected capacity utilization of hotels and other products and services. The sector is composed of a number of subsectors which are made up of large and small and medium sized enterprises.

The country’s key attractions include (ZTA: 2013):
• the Victoria Falls, one of the natural wonders of the world, which is shared with Zambia;
• extensive game viewing opportunities in the country’s national parks which include Hwange, Gonarezhou the Matopos, the Zambezi, Mana Pools, which is a World heritage site, and Nyanga national park;
• the Great Zimbabwe monument, which is the second-largest stone structure in Africa after the pyramids in Egypt and
• a unique stone sculpture tradition that has produced famous sculptors whose works are found in different public and private art galleries around the world.

The Zimbabwean government, like most governments in developing countries has focused on the development of the tourism industry because of the sector’s ability to contribute to the overall economic development of the country. The sector is able to generate foreign currency, create employment, contribute to the country’s gross domestic product and empower local communities through the development of community based tourism (Jenkins: 2000:62). The sector can also be located in remote and peripheral areas of the country and can therefore be used as a tool for rural development. Development of the industry is perceived as a key incentive for wildlife conservation and the protection of the environment as the benefits from the industry help to highlight the economic value of these resources. The sector’s forward and backward linkages with other sectors like agriculture, manufacturing, transport, banking, sports, arts and culture has meant that its development has stimulated the growth of these other sectors of the economy (Sindiga: 2000:141).

The government of Zimbabwe has recognized the significance of the tourism sector since independence in 1980. At independence in 1980 the tourism sector was part of the Ministry of Information, Immigration and Tourism. In 1982, however, the government established the
The Ministry of Natural Resources and Tourism which was responsible for all the developments that occurred in the sector up to 2008. In 2009 a stand-alone Ministry of Tourism and Hospitality Industry was established. The significance that the government attached to the role of tourism in national economic development is evident in both the Medium Term Plan (MPT) (2011-2015) and the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim-Asset 2013-2018). The tourism sector is recognized as one of the four pillars of the country’s economic revival along with agriculture, mining and manufacturing, (Government of Zimbabwe, 2010&2013).

1.1.3 Trends in tourist arrivals and receipts

Tourist arrivals to the country experienced an upward trend from 1980 to 2000 with an annual average growth rate of 17.5% (Zimbabwe Tourism Authority, 2013). Table 1.3 below shows tourist arrivals and tourism receipts to the country for the period 1980 -2012.

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourist Arrivals (000s)</th>
<th>Tourism Receipts (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>237,668</td>
<td>38.4</td>
</tr>
<tr>
<td>1985</td>
<td>303,387</td>
<td>23.9</td>
</tr>
<tr>
<td>1990</td>
<td>582,602</td>
<td>60.2</td>
</tr>
<tr>
<td>1995</td>
<td>1,415,535</td>
<td>144.6</td>
</tr>
<tr>
<td>2000</td>
<td>1,966,582</td>
<td>124.7</td>
</tr>
<tr>
<td>2005</td>
<td>1,558,501</td>
<td>98.7</td>
</tr>
<tr>
<td>2010</td>
<td>2,239,165</td>
<td>634.0</td>
</tr>
<tr>
<td>2011</td>
<td>2,423,280</td>
<td>662.0</td>
</tr>
<tr>
<td>2012</td>
<td>1,794,230</td>
<td>749.0</td>
</tr>
</tbody>
</table>

Source: ZTA 2013 Annual report

Whilst in 1980 the country received a total of 237.6 thousand tourist arrivals by 1990 the figure had risen to 583 thousand and by the turn of the century it stood at 1.9 million. Foreign currency earnings from tourism increased from the 1980 figure of US$38 million to US$321 in 1996. The decline in tourist arrivals after 2000 saw a corresponding decline in foreign currency earnings from tourism. For example in 2005 the country only received a
total of US$98.7 Similarly the improvement in tourist arrivals since 2010 has also witnessed an improvement in amount of foreign currency earnings from the sector with a total of US$794 being recorded in 2012, (ZTA 2013).

However when the tourist receipts are regressed against the tourist arrivals it was found that the $R^2$ of the regression was found to be .55%. This implies that the relationship between the two is rather weak. This is mainly due to the fact that the majority of the tourist arrivals to the country are from Africa. The average daily expenditure of the African tourist arrivals is low and hence the increase in this market segment does not correspond with an increase in tourism receipts (ZTA: 2013). During the period as a whole tourist arrivals experienced a compound growth rate of 29% whilst tourist receipts experienced a compounded growth rate of 45%. A trend analysis of the tourist arrivals, however, gives a clearer picture of the nature of the development of the sector during the period.

Figure 1.1 on the next page shows a trend of the tourist arrivals to country for the period.

**Figure 1.1 Tourist Arrivals to Zimbabwe 1980-2010: (ZTA; 2012)**
The trend in tourist arrivals is closely related to the political, economic and social developments that have occurred in the country since the attainment of political independence in 1980. The cessation of hostilities between the white settlers in the country and the guerrillas fighting for the liberation of the country brought peace and stability. Tourists from different parts of the world were keen to experience the new era that had dawned on the country. The positive momentum was disturbed by the growth of the political tension between former liberation fighters, Zimbabwe African National Union (ZANU) which had won the majority of the parliamentary seats in the 1980 elections and the Zimbabwe African Peoples Union (ZAPU), which was the junior partner in government. The most important development during the period was the abduction of six British tourists in the western part of the country in 1982. The country lost the positive image that had been brought in by the euphoria of independence. Tourist arrivals declined by 11.7% between 1981 and 1982. Further, a decline of 16% was experienced between 1982 and 1983.

The fall in tourist arrivals to the country could also be attributed to the global recession which occurred between 1979 and 1982. International tourists opted to take their holidays at home rather than travel to long haul destinations like Zimbabwe. The period 1985 to 1996 witnessed sustained growth of the tourism industry in the country. There are several factors that help to explain the trend of tourist arrivals for the ten years. Firstly ZANU and ZAPU signed a political agreement (the Unity Accord) in December of 1986. The agreement merged the two political parties into one party, Zimbabwe African National Union Patriotic Front (ZANU PF). The agreement brought peace and stability to the country which helped to improve the image of the country globally.

Secondly, the government embarked on an aggressive marketing and promotion programme in countries like United Kingdom, United States of America, Germany and South Africa.
Tourist attachés were appointed in these source markets and were charged with the responsibility of promoting Zimbabwe as desirable tourist destination, (ZTDC: 1993, ZTA: 1998). Thirdly, the country had become a major hub for regional and international airlines, which used their vast resources to promote the country in order to ensure viable load factors on their routes. For example in 1996 there were some forty-five airlines flying into the country (Business Council of Zimbabwe, 2011:417). Finally, the end of apartheid system in South Africa and the establishment of a majority government made Southern Africa a more attractive regional destination and Zimbabwe benefitted by being one of the countries that tour operators included in multi-country tour packages (RETOSA, 2011:26).

The period 1999 to 2012 was characterised by lack of a consistent trend in the growth of tourism to the country. The major underlying factor was the country’s negative image which was brought about by political instability that had its genesis in the land reform programme. For example, the violence that became synonymous with the land reform programme irreparably tarnished the image of the country as a tourist destination, (Buckle, 2001, Machipisa, 2001). Further, the violence of the 2005 and 2008 general elections confirmed in the minds of potential tourists that Zimbabwe was an unsafe holiday destination.

The downturn that the tourism industry experienced during the period 2000 and 2008 resulted in the closing down of a number of tour operating companies in the country. For example, whilst there were 118 companies operating in the country in 2000 by 2005 the number had gone down to 56 (ZTA, 2012). The number of the enterprises increased to 60 in 2010 and stood at 96 in 2012 reflecting the general improvement that the whole industry experienced after the establishment of a new government of national unity in 2009. The new government was a result of protracted negotiations between the main political parties in the country, ZANU PF and the Movement for Democratic Change (MDC) with the assistance of
South Africa which was appointed by the Southern African Development Community (SADC) as the facilitator. The rival political parties had to enter into negotiations because the 2008 general elections were controversial and hence disputed.

The slight growth experienced between 2004 and 2010 reflects the outcomes of the marketing and promotion strategies that were being implemented by the Zimbabwe Tourism Authority to fight the negative image that the country earned in the international markets, (ZTA 2010). For example, in 2005 Zimbabwe signed a memorandum of understanding (MOU) with China which gave Zimbabwe Approved Destination Status. This meant that Chinese tourists could choose Zimbabwe as a holiday destination without having to seek official approval from the Chinese authorities.

The trend in tourist arrivals affected capacity utilization in the country’s tourist superstructure. For example, whilst hotels and lodges recorded average room occupancy rates of 60% during the period 1989 to 1998; these fell to below 50% between 2000 and 2009.

This was a result of the negative publicity the country attracted between 2000 and 2008. International tour operators stopped selling Zimbabwe in their tour packages. Further a number of countries, for example Britain, Germany and Australia, issued negative travel advisories about the country which discouraged their nationals to purchase holidays to Zimbabwe. Capacity utilization in the country’s hotels and other facilities therefore experienced major declines. For example hotel and lodge room occupancies fell from 40% in 2000 to 34% in 2006 (ZTA: 2012).
The sector’s contribution to the country’s foreign currency earnings has gradually improved from eighteen per cent in 2008 to twenty per cent in 2011. The trend was however reversed in 2012 when its contribution fell to eleven per cent. With regard to GDP, capital investment and employment the contribution has been declining. This is mainly a result of the overall increase of the contribution of the mining sector to national economy reflecting the growth the sector has experienced during the period (Gov. of Zimbabwe, 2013).

### 1.1.4 Composition and size of the tourism private sector in Zimbabwe

The tourism industry in Zimbabwe is made up of a number of subsectors. Table 1.5 below shows the associations that represent different subsectors of the industry. Each of the associations focuses on ensuring that the needs of their members are effectively articulated to different stakeholders in the country. The associations also endeavour to ensure that their members abide by the agreed codes of conduct. With regard to tour operations, the most critical associations are the Safari and Operators Associations and the Inbound Tour operators Association. The two associations deal with the interests of different tour operating enterprises in the country. It is critical for the associations to be aware of the global changes that are taking place with regard to the tour operator business model so that they will be in a position to advise their members appropriately.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total exports</th>
<th>GDP</th>
<th>Cap. investment</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>17.9</td>
<td>11.5</td>
<td>9.9</td>
<td>5.6</td>
</tr>
<tr>
<td>2009</td>
<td>19</td>
<td>8.8</td>
<td>6.5</td>
<td>4.4</td>
</tr>
<tr>
<td>2010</td>
<td>19.7</td>
<td>7.4</td>
<td>5.5</td>
<td>3.7</td>
</tr>
<tr>
<td>2011</td>
<td>19.5</td>
<td>7.1</td>
<td>5.1</td>
<td>3.5</td>
</tr>
<tr>
<td>2012</td>
<td>10.6</td>
<td>8.5</td>
<td>5</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Source: Sanderson et al, 2013, ZTA, 2013
### Table 1.5: Tourism private sector associations Zimbabwe

<table>
<thead>
<tr>
<th>Association</th>
<th>Sector Represented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zimbabwe Council for Tourism</td>
<td>All sectors</td>
</tr>
<tr>
<td>Board of Airlines of Zimbabwe</td>
<td>Airlines</td>
</tr>
<tr>
<td>Safari and Operators Association of Zimbabwe</td>
<td>Hunting and Safari Operators</td>
</tr>
<tr>
<td>Hotel Association of Zimbabwe</td>
<td>Accommodation: hotels, lodges</td>
</tr>
<tr>
<td>Zimbabwe Vehicle Rental Association</td>
<td>Transport</td>
</tr>
<tr>
<td>Inbound Tour Operators Association of Zimbabwe</td>
<td>Inbound &amp; Ground tour operators</td>
</tr>
<tr>
<td>Zimbabwe Travel Agency Association</td>
<td>Travel Agents</td>
</tr>
<tr>
<td>Zimbabwe Professional Guides and Hunters Association</td>
<td>Professional Hunters and Guides</td>
</tr>
<tr>
<td>Boat Owners Association of Zimbabwe</td>
<td>Boat Owners</td>
</tr>
</tbody>
</table>

Source: ZTA; (2013)

The Zimbabwe Council for Tourism (ZCT) is the umbrella organization that represents the interests of all private sector organizations in the tourism industry. It was established in 1988 with a view to having a single organization that would articulate the interests of the members of the tourism industry. It is the official contact point between government and the private sector. The council is managed by a secretariat that is headed by a Chief Executive Officer who reports to a board of directors. The board members of the organization are drawn from all the subsectors of the industry.

The Board of Airlines of Zimbabwe, (BAZ) is composed of the domestic and international airlines that fly into and within Zimbabwe. The main function of the association is to lobby government either through ZCT or directly on policy and other issues that affect the wellbeing of the business of its members. These include, among others, issues on open sky policy, landing fees, licensing fees and airline schedules.

The Safari and Operators Association of Zimbabwe’s (SAOZ) mandate is to ensure that the needs of its members are properly addressed by government. Most of its members are involved in trophy hunting tourism. The organization also endeavours to ensure that its members adhere to ethical business practices and encourage the public to report on any of its members who break government regulations when carrying out their operations.
The Hospitality Association of Zimbabwe (HAZ) is the biggest member of ZCT in terms of its membership. It represents the interests of owners and operators of hotels, restaurants and clubs in the country. Its main functions are (www.haz.co.zw):

- to represent its members on discussions with government on issues affecting their business;
- to inform its members of relevant legislation, regulations and topical issues to enable them to improve performance;
- to liaise with suppliers to ensure that the industry is adequately serviced and equipped and
- to promote professional standards and training among its members.

The association has gone through a number of structural changes since its formation in 1904. Its current structure was established in 1988 and is aligned to the overall structure of the tourism industry in which subsector associations operate through ZCT. The association has a well-articulated code of ethics covering members’ responsibility to guests, employees, the government, the environment and the local communities where members operate.

The Vehicle Rental Association of Zimbabwe (ZVRA) is composed of enterprises that hire out vehicles to both domestic and international tourists in the country. Like the other associations, its mandate is to ensure that the government creates a favourable operating business environment for its members. The Inbound Tour Operators Association of Zimbabwe (ITOAZ) was established in 1994. It represents the business interests of tour operators and destination management companies which operate in the country.

The Zimbabwe Travel Agency Association (ZTAA) caters for the business interests of the licensed travel agencies in the country. Besides negotiating with airlines for favourable trade
terms, the association is also responsible for making sure that its members adhere to the regulations of the International Air Transport Association (IATA) which is the international association that deals with issues that affect the business interests of airlines globally.

The Zimbabwe Professional Hunters and Guides Association (ZPHGA) represents the needs of individuals who work in the hunting subsector of the industry. The association endeavours to ensure that individual who wish to take up the profession undertake a properly structured training programme which is implemented in partnership with National Parks and Wildlife Management Authority. The Boat Owners Association of Zimbabwe (BOAZ) has the responsibility to lobby government on issues that affect both commercial and non-commercial boat owners in the country.

The tour operating industry in Zimbabwe has been characterised by the dominance of one or two large companies with a proliferation of small family run companies. From 1980 to 1986, two companies namely, United Touring Company (UTC) and Abercrombie and Kent (A&K), were the major tour operating companies. Between 1990 and 1999 the subsector was dominated by UTC, Shearwater Adventures and Tourism Services Zimbabwe with Shearwater Adventures controlling for 80% of the market. Currently the largest companies in the subsector with regard to market share are Wild Horizons, Shearwater Adventures and Rockshade Tours and Travel (ZTA, 2013).

The subsector is composed of different categories that specialize in different forms of tour operations. Table 1.6 below shows the number of entities in the subsector for the period 2005 to 2012.
Table 1.6: Number of tour operators and related tourism business entities in Zimbabwe

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tour operators</td>
<td>118</td>
<td>56</td>
<td>60</td>
<td>96</td>
</tr>
<tr>
<td>Photographic safaris</td>
<td>186</td>
<td>94</td>
<td>47</td>
<td>45</td>
</tr>
<tr>
<td>Hunting safaris</td>
<td>165</td>
<td>119</td>
<td>68</td>
<td>82</td>
</tr>
<tr>
<td>Incentive travel operators</td>
<td>117</td>
<td>75</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>Conference organizers</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: ZTA (2013)

There has been an overall downward trend of business entities in all the subsectors of tour operations reflecting the challenges that the sector as a whole has experienced since 2000. Whilst business entities in the subsector are showing signs of recovery since political stability returned to the country in 2009 photographic safaris have failed to recover. The main reason is that a large number of these enterprises operated in commercial farms. The majority of the new farmers have limited interest in the business as they do not have adequate knowledge of the tourism industry.

To date there has been no detailed research that has been undertaken to assess the level of information communication technology adoption across the tour operating sector in the country. The adoption of information communication technologies for the majority of the tour operators in the country is confined to the use of websites for the provision of product information to potential tourists. The major operators like Shearwater, Wild Horizons, and Wilderness Safaris have websites that are attractive, easily navigable and provides the potential tourists with adequate information to make a decision on purchasing a holiday to Zimbabwe. For example the website for Wild Horizons (www.wildhorizons.co.zw) has outstanding photographs of attractions and products in Victoria Falls, has a detailed map of the area and has an electronic brochure showing a wide range of tour packages’ that the company offers in Victoria Falls. It is visually appealing and is constantly updated. The main
drawback is that customers are not able to book directly with the company as bookings have been made through travel agents. This is an old fashion way of conducting business which is frustrating to today’s tourist who expects instant responses to their holiday needs.

Similarly the website for Shearwater Adventure[www.shearwateradventure.co.zw](www.shearwateradventure.co.zw) besides being well designed and easily navigable offers a number of social network platforms like Facebook and Twitter through which the customers can interact with the company. Whilst clients can make direct bookings to the company through the website there is no facility for them to be able make payments for their holidays.

Some tour operators’ websites are still rudimentary and hence are not user friendly. For example websites of companies like Khanondo tours and travel, Falcon tours and travel and Wenhau tours are difficult to access, slow and difficult to navigate, are hardly updated and offer no prices for the products and services being marketed.

Lack of adoption of information communication technologies by tour operators is in marked contrast to the efforts that have been undertaken by government to create an enabling environment for business enterprise to utilize ICTs in their operations as well as the massive investments that have made by the private sector in recent years, (Ministry of Economic Planning and Investment Promotion, Gov. of Zimbabwe, 2013).

The Government of Zimbabwe has identified Information Communication Technologies as one the key economic drivers in the country, (Tsokota and Solms, 2013, Zim Asset, 2014). The national information communication technologies policy spells out the government trust on the sector and outlines how it is going to be linked with different sectors of the economy. For example with regards to tourism it indicates that government should:
promote the establishment of an enabling environment for e-Tourism and sustainable environmental management,

facilitate integrated interactive ICT systems in the tourism sector, and

develop and continuously upgrade and update ICTs in the tourism sector (www.techzim.com/wpcontent/uploads/national-ict-policy-framework)

Further, the Ministry of Information Communication Technology in its strategic plan 2010-2014 (Gov. of Zimbabwe 2009) spelled out the specific programmes that government was going to implement in order to improve the country’s information communication technologies environment. The overall outcomes of these developments have been extensive investments in the sector by both the government and the private sector, an increase in the country’s tele-density and an improvement of the country’s internet penetration, (Tsokota and Solms, 2013:48). The internet penetration in the country has grown from an insignificant figure of .3% in 2000 to 8.1% in 2007 and stood at 11.5% in 2011 (www.internetworldstats.com).

Whilst tour operating enterprises in the country have been unable to follow the current world trend in using information communication technologies, the other subsectors of the industry like hotels, airlines and travel agents have incorporated the use of information communication technologies in their business operations. The hotel group Africa Sun, for example, is now using the Global Distribution System (GDS) which enables customers in any part of the world to book and pay for their accommodation online (African Sun, 2012:18). The website is well designed and visually pleasing. It offers submenus which include reservations, cancellations, customer feedback, and videos showing details of the properties of the company. It further offers a payment platform, social networks and financials reports of the company. The quality of the site and its navigability helps to create
product confidence in the customer and is therefore an effective marketing and e-commerce platform for the company.

Similarly the other major hotel chain in the country, Rainbow Tourism Group (RTG) has ensured that all its hotels are connected by fibre optic cable for ease of internet access. Clients are able to pay for services through visa, master card or the Eco-Cash platform. The company recently established an internet based partnership product, the RTG Virtual, whereby its central reservation system is linked to a wide range of independent hotels and other products which tourists can book through the group’s central reservation system. These developments have resulted in the company recording a 284% increase in revenue during the first half of 2013 compared to the same period in 2012, (www.rtgafrica.com/files/analysts-briefingpresentation).

Tour operators in Zimbabwe have been slow in introducing information communication technologies in their business operations (Maswera, Dowson and Edwards, 2009:13). In order for them to remain globally competitive they need to improve the use of information communication technologies in their enterprises and re-engineer their business models.

1.2 Statement of the problem

The growth of the internet as a distribution channel for the tourist product has brought about complex relationships between the product producers, the tour operators, the travel agents and the consumers. The adoption of internet based product distribution systems by hotels and airlines has meant that customers can directly access the tourism products and bypass the tour operator (Buhalis and Soo; 2009:30). An access of a sample of Zimbabwean tour operators’ websites by the researcher revealed that the majority of the websites only offer marketing information. Customers cannot effect payments for any holiday products and services that they require (Tsoka et al; 2014). Zimbabwean tour operators will lose their
market share of the holiday business if they continue to use the traditional product
distribution systems. Foreign tourists, who are the majority clients of the country’s tour
operators, have embraced the internet as both a source of holiday information and a platform
for purchasing holidays. Lack of adoption of the internet as a platform for transacting
business may eventually lead to the bankruptcy of the country’s tour operating companies as
more tourists switch to internet for purchasing of holiday products.

The purpose of this study was to investigate the strategies that tour operators in Zimbabwe
can adopt in order to improve their competitive advantage through the use of information
communication technologies.

1.3 Objectives of the study

The objectives of the study were:

1. to assess the extent to which Zimbabwean tour operators are still using the
   “traditional” tour operator business model;
2. to identify the factors limiting the adoption of information communication
technology based business models by tour operators in Zimbabwe;
3. to develop an appropriate business model for Zimbabwe tour operating
   enterprises;
4. to recommend ways in which Zimbabwean tour operators can enhance their
   business performance and sustainability using an ICT based business
   model; and
5. to make policy recommendations to government that will encourage tourism
   enterprises to adopt information communication technologies in their
   business operations.
1.4 Research questions

The study was guided by the following questions:

1. What is the nature of the current business model being used by Zimbabwean tour operators and to what extent does it incorporate information communication technologies usage?
2. What are the constraints faced by tour operating companies in Zimbabwe in adopting information communication technologies in their businesses?
3. What is the most appropriate business model that will facilitate effective performance and competitiveness of Zimbabwean tour operators?
4. What factors need to be considered in order for Zimbabwean tour operators to adopt information communication technologies usage?
5. What are the key policy recommendations to government that will encourage tour operators to adopt information communication technologies in their enterprises?

1.5 Significance of the study

The significance of the study is that it will contribute to the debate on the most suitable model for tour operations in general (Markus & Markus, 2007). The study will develop and recommend an alternative business model which will assist Zimbabwean tour operators to have a competitive edge and hence improve their long term viability. The study will also assist government in drawing up appropriate policies to incentivise tourism enterprises including tour operators, to adopt information communication technologies in their operations. Both the government and the private sector will find the study useful in terms of giving them guidance on the types of training programmes that need to be embarked upon in order to retool the skills of the employees in view of the growth of the use of information
communication technologies in the tourism sector globally. The study will enhance knowledge on the operations of tour operating businesses in the context of a low income economy such as Zimbabwe.

1.6 Proposition of the study

The proposition behind the study is that continued use of the “traditional” product distribution model by Zimbabwean tour operators is no longer appropriate. The growth and sustainability of Zimbabwean tour operators requires a stronger interface with the source markets. This interface depends on improved use of information communication technologies than is currently in use.

1.7 Delimitation of the study

The study was limited to an investigation of the adoption and use of information communication technologies by tour operators in Zimbabwe. The study was based on a sample of tour operators drawn from Harare and Victoria Falls. Figure 1.2 shows the location of the study areas.
The rest of the study was made up of six chapters. Chapter two reviewed the literature on the evolution of product distribution model in tour operations enterprises. It discussed the different theories and concepts that have been postulated by different scholars with regard to the evolution of the use of information communication technologies in tourism and hospitality industry. Chapter three outlined the different business models that have been used by tour operators in distributing their products. The chapter propose a new model to be used by Zimbabwean tour operators. Chapter four discusses the research design and methodology of the study. It further discusses the different instruments used in obtaining data from respondents for the study. Chapter five presents the findings of the study giving details of the outcome of both the desk research and the field research. Chapter six gives an interpretation the findings of the study and provides an analysis of the themes from the field research. Chapter seven draws up a set of recommendations directed at both the government and the private sector.

1.9 Summary

Globally, tourism product distribution channels are experiencing constant changes as a result of the increase in the use of information communication technologies in the industry. Both vertical and horizontal relationships in the supply chain of the sector have changed because of the popularity of the internet as a platform for product vending. Tour operating enterprises in Zimbabwe are yet to fully embrace the use of information communication technologies in their business operations. This places them at a disadvantage in terms of global competitiveness in the industry. There was therefore a need to develop a model that would assist the Zimbabwean tour operators to enhance their business performance and ensure their
long term sustainability. The next chapter review the literature on the evolution of product distribution model in tour operations enterprises.
CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

The purpose of literature review is to contextualize the problem being investigated (Hofstee, 2006). It is a critical synthesis and summation of previous research on the topic being investigated (Notar 2010). It highlights the gaps that exist in previous research. The gaps may include conceptual gaps, methodological gaps, geographical gaps, time bound gaps or discipline gaps (Chireshe and Makura, 2013). The aim of this chapter is therefore to give a critical synthesis of the literature on the use of Information Communication Technologies (ICTs) in the distribution of tourism products and to highlight the conceptual, methodological and geographical gaps that still exist on the topic and to indicate how Zimbabwe tour operators can leverage ICTs to improve the performance of their enterprises.

The chapter outlines the key concepts on information communication technologies. It discusses the evolution of the use of information communication technologies in tourism with a special emphasis on product distribution. It highlights the models that have been developed to explain the new product distribution channels in tourism. It further discusses the theories and models that have been advanced to explain the processes through which small and medium sized tourism enterprises (SMTEs) go through in adopting information communication technologies. The chapter also gives a critical analysis of the research outcomes on the challenges faced by small and medium sized tourism enterprises in adopting information communication technologies in their operations. Finally the chapter reviews the manner in which tourism enterprises, including tour operators, are using information communication technologies as part of their business strategy.
2.1 Background

The growth of the use of information communication technologies, in the tourism and hospitality industry has changed the distribution channels of the product (Poon, 1993; Harris and Duckworth, 2005; Buhalis and Soo, 2009). The introduction of new technologies in the industry has created new relationships between the product providers, tour operators and customers. The tour operators have had to reposition themselves within the product distribution chain in order to accommodate the new business environment (Karcher, 1996; Alford, 2007, Kracht, 2009, Potigieter et al, 2010). Guthan (2002:1), after a review of the literature on tourism and information communication technologies, concludes that ICT has been the single most important determinant in bringing tourism demand and supply together and facilitating the functioning of the industry as a whole. The technology-driven changes have given the customer wider choices of accessing the product and have also brought about stiff competition between the product and service providers in the tourism industry (Kracht, 2009; Alford, 2010; Chui et al, 2010).

The adoption of information communication technologies in the tourism industry has also led to the growth of models that have attempted to explain the new relationship between the product providers, tour operators and tourists (Karcher, 1996; Dale, 2002; Romano, 2005; Starkov, 2010 and Buhalis 2013). Given that globally the tourism industry is dominated by small and medium enterprises, a number of studies aimed at assessing the barriers that have hindered SMTEs adopting information communication technologies in their business operations have been undertaken (Wiig, 2005; Duff, 2010; Karanasios, 2007; Sanker, 2008; Maswera et al, 2009; Wanjau et al, 2012). Case studies in both developed and developing countries have highlighted the challenges and the benefits that tourism enterprises are encountering in leveraging information communication technologies for improving business

There is now a wide range of information communication technologies that are being used in the tourism industry and new ones are constantly being developed and adopted by the sector (Scot et al, 2010; Thakran and Verma, 2013). Table 2.1 below shows some of the key information communication technologies being applied in the tourism industry.

Table 2.1 Summary of ICTs being used in the tourism industry

<table>
<thead>
<tr>
<th>Communication services</th>
<th>Communication products</th>
<th>Information services</th>
<th>Information products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Videoconferencing</td>
<td>Internet design tools</td>
<td>GDS and CRS content</td>
<td>Hotel property management systems</td>
</tr>
<tr>
<td>Intelligent transport systems</td>
<td>Hand-held terminals</td>
<td>Videotext</td>
<td>Electronic guidebooks</td>
</tr>
<tr>
<td>In-vehicle guidance system</td>
<td>Voice-recognition systems</td>
<td>Tourism internet portals</td>
<td>GIS applications</td>
</tr>
<tr>
<td>Electronic ticketing</td>
<td>Electronic security system</td>
<td>Destination information systems</td>
<td>Point of sale systems</td>
</tr>
<tr>
<td>Extranets</td>
<td>Global positioning systems</td>
<td>Destination kiosks</td>
<td>Virtual reality systems</td>
</tr>
<tr>
<td>Intranets</td>
<td>GDS and CRS equipment</td>
<td>Data warehousing systems</td>
<td>Hotel room technologies</td>
</tr>
<tr>
<td>In-room internet access</td>
<td></td>
<td>Online travel mediaries</td>
<td></td>
</tr>
</tbody>
</table>

Source: adapted from Scot et al (2010:2)

Videoconference technologies, a system that allows real-time face to face communication with clients and business partners in distant places, has enabled stakeholders in the tourism industry to communicate more effectively with potential clients. Tour operators and car hire companies are now able to install different types of in-vehicle guiding system like global positioning system which shows the clients directions to follow during their tours in urban and rural areas. Within the airline sector clients are now able to receive an electronic air ticket once they have paid their fare through the internet. The technology has removed the hassle that tourists used to encounter when they had to travel to the airline or travel agents offices to purchase their ticket. Globally tourists now expect to find in-room internet access
within their hotel rooms. The accommodation sector has responded by providing the necessary technology where ever this has been possible.

Central reservation system and Global distribution system which are being used by tour operators, hotels and airlines are virtual centres that provide large amounts of information on the different types of products being offered by each enterprise. The systems also enable potential customers to book and pay for the products they would have selected. The development of the internet has led to the establishment of internet portals by different stakeholders in the tourism industry using the World Wide Web (WWW) platform. The use of the internet technology has further led to the establishment of new forms of business enterprises known as online travel mediaries. These include among others, online travel agencies, online booking agencies, online tour operators and online travel information centres and online travel advice centres.

Tour operators and hotels are now able to offer potential clients a preview of the activities they can engage in during their holidays and details of the rooms they can book into through the use the virtual reality system. The technology allows the potential clients through the use of the internet to view the physical details of the tourist attractions and the facilities he will enjoy if he purchases the tour or book into a specific hotel.

2.2 Evolution of product distribution channels in the tourism industry

The changes in the distribution channels of the tourism product had their genesis in the establishment of computer reservation systems by the airlines in the late 1950s (Werthner and Klein, 1999). Poon (1993) argued that information communication technology was becoming pervasive in the tourism industry as a whole. She highlighted the emerging differences between what she termed “the traditional tourism sector” and “the new tourism industry” and pointed out that those enterprises which did not embrace the changes will
become uncompetitive. Similarly, Karcher (1996) noted that the tourism industry was going through a state of change that was driven by developments in technologies and booking systems. He argued that these developments were a major threat to the established distribution chain in the travel industry. He warned of the possible redundancy of tour operators and travel agencies (ibid). He further noted that the major tour operators in Europe were re-engineering their businesses in order to incorporate the new changes that were occurring in the industry. Table 2.2 below show some of the changes that were being implemented by the major European tour operators in the early 1990s.

Table 2.2 New tour operating system for key European tour operators 1992-1996

<table>
<thead>
<tr>
<th>Tour operator</th>
<th>Name of new system</th>
<th>Detail of changes</th>
<th>Development and implementation time lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtours Holiday Ltd</td>
<td>Airtours Central Systems</td>
<td>Central systems enhancement</td>
<td>Back-office systems enhanced by end of 1993 and during 1994</td>
</tr>
<tr>
<td>British Airways Holidays</td>
<td>BALink option 2 system</td>
<td>Complete replacement of the old distribution system</td>
<td>Implementation commenced in 1995</td>
</tr>
<tr>
<td>First Choice Holidays</td>
<td>Merlin (central database system)</td>
<td>Complete replacement of the old database system</td>
<td>Commenced and completed in 1994</td>
</tr>
<tr>
<td>International Tourist Services</td>
<td>ITOS system</td>
<td>Complete replacement of the old system</td>
<td>Commenced in 1993 and completed in 1994</td>
</tr>
<tr>
<td>Kuoni Travel Limited</td>
<td>Kuoni Platform 2</td>
<td>System enhancement</td>
<td>Completed in 1994</td>
</tr>
<tr>
<td>LTU Touristik GmbH&amp;co.</td>
<td>PROVIT</td>
<td>Complete replacement of all individual system in the group</td>
<td>Started in 1992 and completed in 1996</td>
</tr>
</tbody>
</table>

Source: adapted from Karcher (1996: 2)

Dale (2003) alludes to a similar and more complex response by tour operators whereby vertical and horizontal strategic networks have been established so as to ensure that the enterprise remains competitive and sustainable. While noticing the same changes, Harris and Duckworth (2005:1) claimed that these developments were only “disruptive” to the
established distribution system and were not in a position to replace the traditional
distribution channels in the tourism industry. Given the continued changes in technology and
the corresponding changes in the buying behaviour of the tourist, tour operators have had to
continually adapt the way they carry out their business so as to remain viable. Buhalis and
Kaldis (2008:1) in their study in Athens proffer, an apt summary of these developments “The
reconfiguration of the distribution channels has propelled simultaneous competition and
cooperation between principles and intermediaries”.

The role that information communication technologies have played in tourism in the last five
decades has attracted extensive research in recent years. Shanker (2008) in his overview of
the literature on the subject highlights contributions made by, among others Inkpen (1998),
that information communication technologies have brought in new tools for the distribution
of the tourism product and that this has created a new business environment in the industry.
One of Shanker’s key observation is that the majority of the research on the role of
information communication technologies on the tourism industry has mainly focussed on
developments in the developed countries and calls for a need to assess how the information
communication technologies is affecting development of the industry in developing
countries. He proceeds to point out that the most important innovations that have redefined
the business linkages in the tourism industry during the last five decades are; (ibid: 4)

- the development of the computer reservation system (CRS);
- the development of the global distribution system (GDS); and
- the development of the internet.
2.3 Key technological innovations that have affecting distribution of the tourism product

The key technological innovations that have affected the distribution of the tourism product are:

- Computer Reservation Systems (CRS);
- Global Distribution Systems (GDS);
- The internet;
- E-mediaries;
- Informediaries;
- Smartphones; and
- Social media.

2.3.1 Computer Reservation Systems (CRS)

The introduction of computer reservation systems by American Airlines in 1963 herald a new phase in distribution of the tourism product (Shaw, 1982, PhoCusWright, 2009). The Semi-Automated Business Research Environment (SABRE) was a joint creation of IBM and American Airlines. Hitherto travel agents manually drew up itineraries for clients and had then to phone the airline for seat availability and confirmation. Schulz (1996) postulates that the original functions of CRS included airline ticket reservations, airfare quotations and ticket issuance. He further points out that the systems were also used for product presentation and inventory management. He highlights that with improvements in the original technology over the years the functions of the systems have expanded to include among others financial management, internal administration of individual travel agencies and provision of travel information.

These observations are also borne out by Granados et al (2008:1) who argue that airlines used the CRS systems to lock in travel agencies into long-term contractual arrangements.
which ensured stable income for the principals. The current position of CRSs is summed up by Barradas and Pinto-Ferreira (2009:4) who points out that these are databases that allow stakeholders in the tourism industry to manage their inventories and at the same time make the inventories simultaneously available to a wide range of business partners. The computer reservation systems have now been adopted by hotels, tour operators, and other principals in the tourism industry each utilizing a custom designed system which meets the specific needs of their businesses (Servran and Elmazi, 2008). Sismanidou et al (2009) also notes that the CRSs are now a major marketing channel for various principals in the tourism industry.

2.3.2 Global Distribution Systems (GDS)

Global Distribution Systems evolved from the airline computer reservation systems of the early 1960s (Werthner and Klein 1999). Initially different airlines had their own specific systems. However with further developments in technology, formation of strategic alliances by airlines and changes in consumer buying habits the GDSs consolidated into four major systems (PhoCusWright Inc., 2009) The current dominant system are Amadeus, Galileo, Sabre and Worldspan. Each system is a result of a merger of several airline systems. For example Worldspan resulted from the merger of TWA’s PARS system with Delta Air Lines’ DATAS II system (ibid).

The GDS revolutionized the distribution of the tourist product because they brought about horizontal integration of airline systems as well as vertical integration of airline systems with those of hotels, tour operators and other service providers in the tourism (Shanker,2008; Barradas and Pinto-Ferreira,2008; Reino and Baggio,2013). Due to availability of a wide range of products and services on these platforms they have been referred to as travel supermarkets (Werthner and Klein 1999, 2005; Buhalis and Soo 2009). They have become the nerve centre of electronic commerce in the travel industry. Sismanidou et al (2009) argue
that the ability of GDSs to provide real-time virtual connectivity between different tourism principals and travel agencies made them the largest warehouses of the travel inventory.

Similar views were echoed by Longhi (2008) who postulates that GDSs have become major virtual travel markets that link sellers and buyers of travel products and services. Thakran and Verma (2013) further notes that GDSs became a major distribution channel of the tourist product because of their ability to increase the reach of the different enterprises as they were able to operate beyond national boundaries. In essence GDSs changed the channel relationship that had existed in the industry between hotels, airlines, tour operators, travel agencies and the consumer. These changes have been enhanced and accelerated by the introduction of the internet.

2.3.3 The internet

The establishment of the World Wide Web in 1995, (Sismanidou et al, 2009) and the use of the internet brought about a dramatic change in the distribution of the tourists product as well as the relationship between the principals and the customers, (O’Connor,1999; Werthner and Klein 1999; PhoCusWright Inc., 2009; Granados et al,2008, Thakran and Verma,2013). Hoffman, (2000) cited by Buhalis and Soo (2009:3) makes the bold statement that the internet is the most important technological innovation since the invention of the printing press.

The internet has brought in new business enterprises and has forced companies in the tourism industry to reengineer their business models again (Guthan, 2002; Romano, 2005; Cosh, 2007; Starkov, 2010; McKinsey, 2012). Buhalis and Soo argue that the internet has brought about both distribution channel conflict and collaboration. On the one hand principals like hotels and airlines have developed highly branded websites from which customers can purchase products directly thus eliminating tour operators and travel agencies.
On the other hand the intermediaries like tour operators have also developed virtual platforms on which they are giving customers the opportunity to put together tailor made holiday packages which include products of the traditional principals in the tourism industry. The internet has therefore created channel conflict in the traditional distribution of the tourist product but it has also fostered cooperation between the key players in the industry, (Longhi, 2008; Servran and Elmazi, 2008; Starkov, 2010 and Buhalis, 2013).

The internet through the World Wide Web gives the tourist the opportunity to search for information for planning the holiday trip, compare prices of different products and book and pay for the holiday without moving from his house (Buhalis and Soo, 2009). Accessibility to a wide range of tourism information is enabled by the fact that most of the information on the websites is free of charge. Buhalis (2013:3) claims that since the establishment of the internet technology it has never stopped to grow. The growth in the adoption of the technology is related to the growth in the numbers of people using the internet (Starkov and Safer 2010; Poon, 2011; Salvado, 2012) for accessing holiday information and booking of holidays. Figure 2.1 below helps to support the above claims.

![Figure 2.1: Global growth of internet users 1995-2013: Source: Guthan, 2002, ITU World Communication report 2013](image)
The growth in the number of internet users world-wide has been phenomenal. Whilst in 1995 there were only 45.5 million internet users the number had grown to 413 million within a period of five years in 2000 and had doubled to 814 million in 2003. In 2013 the global figure for internet users stood at 2.7 billion which was 39% of the world population (ITU, 2014). Given the growth in the use of smart devices worldwide the numbers of internet users are forecast to maintain the same trend of growth in the future (www.allthings.com/20130529).

Salvado (ibid:964) citing (Marcussen,2009) also points out that online travel sales increased by 17% in Europe between 2007 and 2008 and that within the United States of America the internet was the dominant holiday planning tool and the main channel for holiday bookings in 2008. Similarly the Hamburg based research firm yStats.com (cited by Jucan and Baier, 2012) indicated that in Europe the total number of bookings through online travel agencies increased by almost 20% between 2010 and 2011. Duff (2010) also indicates that 56% of tourists to Ireland in 2006 used the internet to plan and book for their holidays and that the figure has been increasing annually since then. The increase in the use of the internet for sourcing for holiday information for Ireland were also observed by CHL Consulting (2010:17-18) whose study showed that 75% of all visitors to the country use the internet in planning their holiday and that 80% of the visitors bought at least one component of the holiday through the internet.

The growth of the use of the internet by tourists is a result of the inherent advantages that the technology has (Guthan, 2002; Buhalis, 2013 and Reino and Baggio, 2013). Servani and Elmazi (2008:24) also argue that the popularity of the technology is a result of changes in
consumer behaviour with regard to demand for holidays. These changes indicate that consumers are:

- searching for individualized holiday offerings;
- expecting instant responses to their inquiries;
- knowledgeable about international destinations and have become price sensitive;
- delaying making decision on holiday choices;
- taking more than one international holiday annually which are of shorter duration; and
- able to search widely for the most cost effective international airfares.

The internet has further created a new tourist customer profile which operators in the industry have to take cognisance of (Salvado et al, 2012). The customer is hyperactive, is constantly connected to the email and social networks and uses multichannel devices to search for holiday information and for making bookings (ibid: 961). Lang (2000), cited by Guthan (2002:29), points out the following as the main advantages of the internet to the consumers in the tourism industry:

- convenient and instant availability of information;
- availability of up to date information;
- ability to compare prices;
- global availability of products throughout the day and night;
- ability to avoid travel agents fees and charges; and
- seamless connectivity to a large number of global websites with massive holiday inventory.
The growth of the internet and the use of the World Wide Web have had a major influence on the holiday shopping process of tourists (PhoCusWright Inc. 2009; Fotis et al 2013). The PhoCusWright study indicated that 65% of European travellers use websites as the first source of information for holiday search and 34% of the travellers use search engines first whilst 32% use online travel agencies first. The study further indicated that 48% of the travellers visit more than five websites before making their decision to purchase a holiday. These figures are further confirmed by Baggio et al (2012) who indicated that 36% of all sales in Europe come through online bookings. Research by the government of Australia (2009:6) produced similar findings where it was shown that 44% of the visitors to the country used the internet as a source of information for holidays to the country. The study indicated further that online holiday bookings to Australia had increased from 5% of total holiday bookings in 2001 to 35% in 2008.

Kracht and Wang (2009) pointed out some of the costs that the consumers are now bearing as a result of the use of the internet which includes, loss of human interaction with service providers, lack of brand trust, time spent on internet search and the related frustration resulting from large amounts of information on the internet. They also pointed to the inability to access the best possible prices due to the presence of large sources where prices of the same product or service are being located. They further argued that whilst the power in the distribution channel has moved towards e-mediaries and search engines, the basic theory on product distribution channel in the industry has remained unchanged. There is therefore a general convergence of opinion in the literature which is that whilst the internet has brought about major structural changes to distribution channel relationship in the tourism industry, information overload and differences in customer characteristics have helped the industry to retain some of its traditional relationships (Corigliano and Baggio, 2002; Kracht and Wang, 2009; Reino and Baggio, 2013, Thakran and Verma; 2013). A large number of
the customers still prefer the use of the ‘brick and mortar tour operator and travel agent’ (Rabanser and Ricci, 2005).

2.3.4 E-mediaries

The internet led to the establishment of virtual tour operators who offer customers a wide range of holiday products and services on the virtual platform (Buhalis 2003) known as e-mediaries. The e-mediaries are defined by Dale (2003:110) as “organizations offering services via a network of virtual channels to stakeholders, and which are not constrained by geographical boundaries”. Romano (2005) and Dorn et al (2010) argue that these new tour operators are proving popular with customers because of the following factors:

- they manage “just-in-time” holiday package creation;
- they provide clients with a platform to create customised holidays;
- they give the customer the ability to connect to multiple sources of supply; and
- they offer highly flexible holiday packages giving the customer the ability to personalize their holiday.

Buhalis (2013) postulates that e-mediaries like Expedia, Travelocity, Lastminute and Opodo provide integrated travel solutions for customers which include travel products, destination guides, weather reports and travel insurance. This is supported by Daniel and Frew (2005:9) who indicated that in 2004 the e-mediary Expedia was linked to a network of 450 airlines, 60000 hotels, and all major international car rental companies. They further argued that the competitiveness of e-mediaries was being driven by financial attraction to the companies, investment in information communication technologies infrastructure, focus on customer relationship management and product innovation. These views are buttressed by Cosh (2007:1) who notes that some of the e-mediaries have specialised in specific sector products as is the case of Hotels.com, Travelocity.com and Priceline.com which offer a wide range of hotel inventory with different prices.
In order to retain their market share and ensure long term sustainability both traditional tour operators and travel agents have also established their own virtual platforms (Werthner and Klein 1999). The customer therefore has the choice of using either the traditional distribution channel to access their holiday products or the e-mediaries. For example Schegg and Fux (2013) in their study of hotel bookings in Switzerland, claim that 62% of the bookings were made directly to the hotels through telephone, walk-ins and fax. They further indicate that the use of traditional booking channels has been declining over the past ten years with an increase of bookings coming through e-mediaries (ibid: 4-5). The choice of medium used by customers to access the product is being governed by the characteristics and overall profile of the client.

2.4.5 Informediaries

Tourism is an information intensive sector (Wiig, 2005; Cosh, 2007). It focuses on the provision of adequate and timely information to clients who are located in distant places from the destinations they plan to visit. Werthner and Klein (1999) observed that these enterprises, because of their ability to aggregate a large amount of information from different principals, were opening up the opaque pricing structures that had dominated the tourism industry for a long time. They further argue that Informediaries have positioned their applications in such a way that it is able to benefit both customers and sellers in a manner which was not possible within the framework of the traditional distribution system.

Salvado et al (2012:961) claim that “never before have buyers been able to know so much, so easily about what they purchase and from whom”. These views are also shared by Buhalis and Soo (2009) who point out that Informediaries have brought about price transparency to the tourism industry. They further argue that organizations like Trip Advisor have high credibility ratings in terms of the travel information they provide because they offer
customers an opportunity to voice their opinions about the quality of products and services they would have used on their holidays. This is regarded as useful referral by potential customers when planning their holidays.

2.3.5 Smartphones

Mobile phones have evolved into smartphone which have computer capabilities (Safer and Starkov, 2011; Wang, 2010; Thakran and Verma, 2013). Customers are now using the smartphones to accesses holiday information from almost anywhere in the world using the multi distribution channels that are offered by the different principals and intermediaries in the tourism industry. Most smart phones for example, Apple, Blackberry, and Samsung Galaxy have applications which enable the user to link to the internet. Safer and Starkov (2011) posit that the use of smartphones in conjunction with the internet has further changed the characteristics of the current tourists. The customer is now consistently connected to multichannel distribution networks, is highly individualistic and searches for distribution channels that supply relevant and up-to-date holiday information.

Similar views are expounded in a study carried out by Accenture (2012) which recommends that operators in the tourism industry have to begin to undertake data analytics seriously in order to get a deeper understanding of their customers and hence decide on the appropriate channels of distributing their products. Further, a study commissioned by the International Air Transport Association (2012) estimates that by 2017 50% of online bookings in tourism will be made on mobile devices. The integration of the global positioning system (GPS) in smartphones (Cosh, 2007) means that customers are able to use their mobile devises within the destinations they will be taking their holidays. Within Europe Ovum (2012) cited by Baggio et al (2012) claim that smartphone penetration will reach 92% in 2014 and that
globally smart phones will overtake Personal Computers (PCs) as the main devise to access websites.

The overall impact of the changes in Smartphone technologies has been the increasing of competitive pressure on the traditional linear distribution channels in the tourism industry. Customers are now able to access and book holiday products through a multiplicity of channels twenty four hours a day (Wang, 2011; Buhalis, 2013; Salvado, 2012, Schegg and Fux, 2013).

### 2.3.6 Social media

Kaplan and Haenlein (2010:61) cited by Fotis et al (2013) define social media as “a group of Internet based applications that build on technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content”. In their review of the literature, Fotis et al (2013:2) note that there is now a wide range of typologies on social media and summarize the main ones as follows:

- social networking websites like Facebook and LinkedIn;
- blogs, content communities, which include You Tube, Flickr and Scrib;
- collaborative projects, for example Wikipedia;
- micro blogs like Twitter;
- consumer review and rating websites for example Trip Advisor and internet fora like ThornTree and Fodor’s Travel Talk.

The review by Fotis et al (ibid) further highlights findings of studies that have been carried on the use of social media by tourists and the impact the social media has had on how customers access the holiday packages. They indicate that scholars like Kotler, Bowen and Maken (2010) and Litvin, Goldsmith and Pan (2008) have shown that consumers are now
relying on the experiences of other travellers as a way of reducing the risk of purchasing holiday products which would not give them good value for their money.

Thakran and Verma (2013:243) contend that there has been a dramatic increase in the use of social media by tourists in recent years. They indicate that in 2010 three million photographs were uploaded daily to Flickr and that in 2008 Trip Advisor received twenty million reviews and opinions posted in six languages. They further indicated that in 2012 Facebook achieved a target of one billion users (ibid). In essence social media content is being viewed by potential customers on the same lines as word of mouth advertising. Buhalis (2013) expresses similar views when he points out that user generated content gives the best testimonials for products and destinations.

Thakran and Verma succinctly summarize the overall developments that have occurred within the tourism industry with the advent of information communication technology in the early 1960s. They have identified four major eras: the GDS era covering the period 1960-1995, the internet era covering the period 1995-2000, the “SoLoMo” era (social, location and mobile based applications) covering the period 2000-2012 and the hybrid era covering the period 2013 and beyond in which customers are now using a multiplicity of sources and devices before they can make a holiday decision (ibid: 245). There is now a general agreement that social media is a key source of information for tourists when they are making their travel plans (Gretzel, 2013; Thakran and Verma, 2013). However, there is no consensus on how the use of social media has impacted on the choice of distribution channel used by tourist to purchase their holidays (Gretzel, ibid; Fotis et al, ibid).

2.4 Tourism products distribution in developing countries.

The majority of developing countries suffer from what has been referred to as “the digital divide” (Shanker, 2008; Wiig, 2005 and Karanasios, 2007). Shanker argues that the lack
adequate and efficient information communication technologies in most developing countries have slowed down the change of the distribution channels of the tourist product. Karanasios (2007) notes that the problem is exacerbated by the dominance of small and medium sized tourism enterprises in the developing countries whose financial base is limited and knowledge about information communication technologies is minimal.

A number of scholars (Werthner and Klein, 1999; Buhalis and Soo, 2009; Fotis et al, 2013; Gretzel, 2013) have demonstrated that the use of different virtual platforms by customers as sources of tourism information is depended on the perceived credibility of the platform. Given the dominance of SMTEs in developing countries tourists from the developed countries have limited confidence on the information offered on the websites of these enterprises and hence prefer to use information platforms of tour operators from the source markets (Wiig, 2005). Several studies in developing countries, (Karanasios and Burgess, 2006; Hinson and Boateng, 2007; Mpofu et al, 2011; Potgieter et al, 2010 and Wanjau et al, 2012; Mgijima and Flowerday, 2012 and Salim et al, 2013) have shown that enterprises in developing countries face a wide range of challenges in their attempts to adopt the internet for distributing their products.

The net result of these macroeconomic and structural challenges has been the limited proliferation of the use information communication technologies by tourism enterprises in the developing countries including tour operating companies in Zimbabwe (Maswera et al, 2009).

2.5 Models of the new tourism product distribution channels

The adoption of new information communication technologies and the changing characteristics of the tourists have led enterprises to develop and adopt new models of distributing their products.
The new models of product distribution include the following:

- business re-engineering;
- strategic network alliances; and
- dynamic packaging.

2.5.1 Business re-engineering

Business re-engineering entails understanding the current operations of an enterprise with a view of redesigning the process so as to eliminate waste and gain competitiveness (Chen, 2001). The aim of business re-engineering is to establish new ways of efficiently conducting business operations through redesigning enterprises’ information communication technologies in a manner that allows the company to gain long term sustainability.

The distribution of the tourism product was for a long time based on a linear distribution channel. The tour operator bought different components of the holiday product in bulk from the principals and consolidated them into individual holiday packages which were sold mainly through the travel agent (Holloway, 1995; Yale, 1995; Middleton, 1994; Romano, 2005).

However, the introduction of information communication technologies in the management of tourism enterprises forced tour operators to rethink their business models. It became necessary to incorporate the changes that were being brought in by the use of information communication technologies (Poon, 1993). Karcher, (1996) observed that the major tour operators in Europe were re-engineering their businesses models at different levels in response to the changing business environment. He argued that there were five levels at which the changes were being implemented. The table 2.3 below summarizes the changes observed by Karcher.
Table 2.3: Changes in tour operators business systems

<table>
<thead>
<tr>
<th>Level of analysis</th>
<th>Organizational level</th>
<th>New System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Core business</td>
<td>Implementation of new more flexible system with regard to data storage, retrieval and processing</td>
</tr>
<tr>
<td></td>
<td>relationship</td>
<td></td>
</tr>
<tr>
<td>Level 2</td>
<td>Ownership</td>
<td>Implementation of worldwide corporate networks</td>
</tr>
<tr>
<td></td>
<td>relationships</td>
<td></td>
</tr>
<tr>
<td>Level 3</td>
<td>Co-operative trading</td>
<td>Establishment of sector wide electronic communication standards</td>
</tr>
<tr>
<td></td>
<td>partnerships</td>
<td></td>
</tr>
<tr>
<td>Level 4</td>
<td>Competitive trading</td>
<td>Implementation of online program-to-program links between tour operator systems and other reservation and booking systems</td>
</tr>
<tr>
<td></td>
<td>relationships</td>
<td></td>
</tr>
<tr>
<td>Level 5</td>
<td>General trading</td>
<td>Implementation of online program links between tour operator system and destination information and reservation system</td>
</tr>
<tr>
<td></td>
<td>relationships</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Karcher: (1996:4)

Level 1 analysis focuses on the changes that were being undertaken at individual tour operator enterprises level. The individual tour operators were changing their data entry and retrieval system to a format that was more relational with the different types of customers they served. This enabled them to be more flexible in their responses to the changing needs of their customers (Karcher, 1996:7).

Level 2 analysis outlines the changes taking place within the tour operating enterprise at corporate level. The companies were establishing worldwide horizontal and vertical networks with stakeholders in the industry. The developments gave the tour operators the ability to develop individually tailor made holidays for a wide range of market segments. The new corporate networks also helped the tour operators to diversify their products.

At level 3 it is postulated that tour operating enterprises were establishing sector wise communication standards which were aimed at facilitating business to business transactions. With regard to level 4 Karcher noted the development of online travel program links whereby tour operator ICT systems were being linked to those of product providers like
hotels and airlines. Level 5 analysis shows how tour operators were developing programs that were linked to tourism destination systems. The development helped potential tourists to access tourism information about different countries via links of the tour operators.

In view of the fact that the observed changes were affecting the horizontal and vertical relationship of tour operators with other principles in the industry it is argued that the developments have brought about distribution channel conflict (Buhalis, 2003; Liu, 2005).

2.5.2 Strategic network alliances

Strategic network alliances are a business strategy whereby companies establish horizontal and vertical linkages with other enterprises in the same sector in order to ensure cost reduction, expand market reach and improve viability.

According to Daniele and Frew (2005:1) their study of the major tour operators in the United Kingdom indicated that the enterprises had “to rethink their strategy and business models in order not only to survive but to prosper”. Similar observations were made by Dale (2002). He observed that the product distribution channels in the tourism sector were being dominated by complex strategic networks which were based on the internet (ibid: 110). He further noted that these partnerships were focusing on collaborative, communicative, complimentary and converse linkages between the various principals and intermediaries within the tourism industry (ibid: 112-114). The growth of strategic network alliances in the tourism industry was also observed by Liu (2005:3) who contended that the alliances were being driven by stakeholders need for the following:

- value extraction-increasing efficiency and reducing costs,
- value capturing-data mining for sales forecasting and yield management;
- value addition-linear combination of products; and
• value creation-provision of adequate information to customers for effective planning of their holidays.

Barradas and Pinto-Ferreira (2009) outlined a tourism virtual business network model which attempted to explain the developments that were occurring in the industry as a result of the use information communication technology. Table 2.4 below shows the characteristic of the new business networks in tourism as observed by Barradas and Pinto-Ferreira.

Table 2.4 Characteristics of the new business networks in tourism

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products and services</td>
<td>Relative complex, bundled, and fast delivered products and services</td>
</tr>
<tr>
<td>Value creation</td>
<td>Demand networks with quick connect and disconnect relationships</td>
</tr>
<tr>
<td>Coordination and control</td>
<td>Network orchestration with distributed control and decision making</td>
</tr>
<tr>
<td>Information sharing</td>
<td>Information sharing over and with network partners</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Network platform with networked business operating systems</td>
</tr>
</tbody>
</table>

Source: adapted from Barradas and Pinto-Ferreira: (2008:4)

The new business networks have brought about new complex and flexible intra-enterprises relationships. Firstly products and services can now easily be designed to the specific needs of potential customers and delivered to clients within a short space of time using information communication technologies. Secondly networked partners are able to share information and hence create more value to the products and services being searched for by potential customers. Barradas and Pinto-Ferreira therefore contend that tour operators that have re-engineered their business operations through the adoption of information communication technologies have become competitive and are in position to respond more effectively to the continuous changing demands of customers. Whilst the new business networks that have been established within the tourism industry have brought a number of benefits to the enterprises, the new relationships have also brought in several costs. The table 2.5 below
highlights the costs and benefits of going into the strategic networks as envisaged by Dale (2002).

Table 2.5 Cost-benefits analysis of strategic networks for tourism e-mediaries

<table>
<thead>
<tr>
<th>Costs</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner conflicts and compromises</td>
<td>Reduced competition</td>
</tr>
<tr>
<td>Lack of trust</td>
<td>New market opportunities</td>
</tr>
<tr>
<td>Over dependence on partners</td>
<td>Increased speed of market entry</td>
</tr>
<tr>
<td>Loss of degree of independent control</td>
<td>More efficient distribution and transactional process</td>
</tr>
<tr>
<td>Partner domination</td>
<td>Technological synergies</td>
</tr>
<tr>
<td>Channel cannibalization</td>
<td>Shared risk</td>
</tr>
<tr>
<td>Managing diversity of partners</td>
<td>Resource sharing</td>
</tr>
</tbody>
</table>


The major benefits of strategic network alliances include reduced competition between enterprises, opportunities of tapping into new markets as a result of the new partnerships, improvement in product distribution due the use technological synergies between cooperating enterprises and the ability to increase market share as a result increased resource base. However, Dale (2002:116) indicates that entering into strategic network alliances brings about a number of costs. These include among others partner conflicts whereby different business philosophises and cultures often clash as well as changes in product distribution channels as a result of channel streamlining and consolidation.

It is pertinent to point out that the extensive research on the business re-engineering which has occurred in the tourism sector and the models that have been produced go a long way in explaining the new development in the industry (Karcher, 1996; Buhalis and Licata, 2002; Dale 2002; Buhalis, 2003; Liu, 2005; Daniele and Frew, 2005). However, Alford (2005) contends that most of the models on business re-engineering are ambiguous on how these changes will lead to survival of enterprises in the tourism industry. He argues further that the development of the models need to be based on extensive studies of the development of the
business relationships in the industry and an analysis how these relationships are affecting costing structures of the product. There is merit in considering the caution being advocated by Alford. The outcomes of his own study, however confirms the fact that various principals and intermediaries in the tourism industry are entering into strategic network alliances in order to ensure that they survive in a business environment that is now dominated by the internet with a multiplicity of product distribution channels.

2.5.3 Dynamic packaging

The concept of dynamic packaging describes a process whereby tourists assemble highly customised holiday packages using virtual platforms, (Romano, 2005; Cardoso, 2005; Hotel Electronic Distribution, Network Association, 2005). Kabbaj (2003) cited by Markus and Lassnig (2009:177) defines dynamic packaging as “putting together – and pricing– a package of several major travel components from heterogeneous suppliers and heterogeneous information sources”. Similarly Cardoso (2005:1) defines the concept as building of holidays from different components achieved in real time in response to the demands of the customer or a booking agent. Caliskan et al (2011) citing Lassnig and Markus points out that the term is hardly used in the company websites and terms like “Create your own” and “Book together and save” are more common. Thangaraj and Manikandan (2011:611) describe the concept as an innovative technology that allows automated online configuration and assembling of holiday packages for customers. There is however no consensus on the definition of the concept (Markus and Lassnig, 2007:183). The common elements on the concept are that:

- it is based on the requests of the individual customer;
- it is facilitated by the use of technology which enables the customer to access multiple travel components in real time, and
- it provides the customer with a single fully priced holiday package.
Development of dynamic packaging systems has helped to increase the diffusion of the use of the model in the tourism industry (Cardoso, 2005; Thangaraj and Manikandan 2011). The technologies include among others, semantic web, web services and web processes, (Cardoso, 2005. Thangaraj and Manikandan (2011:611) points out that semantic web “is a technology that integrates tourism data sources using semantic rules, ontologies, web services and web processes”. Web services refer to the provision of integrated enterprise information on a virtual platform that is linked to the internet. In contrast web processes refer to the designing and conceptualization of an enterprise’s website. Whilst researchers have developed different variants of the dynamic packaging model (Cardoso, 2005; Caliskan et al, 2011) the basic architecture as developed by Cardoso (2005) has not changed much. Figure 2.2 below show the elements of the dynamic model architecture.

Figure 2.2: Dynamic packaging model architecture
Source: adapted from Cardoso: (2005:2).
The architecture as developed by Cardoso is aimed at streamlining and standardizing the processes through which potential tourists can access information on products and services and allows them to structure their specific holiday requirements. It is composed of four major phases. Phase one, the integration of e-tourism resources, entails standardization of terminologies used in planning of holidays using ontologies and semantic annotation. Phase two, semantic mediator generation, involves the creation of bases that give the customer access to semantically annotated databases. Phase three, dynamic packaging process generation, entails the construction of systems that are able to put together dynamic solutions for customers when they go online to search for their ideal holiday packages. Phase four, which is the final component of the architecture, is the set of dynamic packaging products. The tourist is able to access the system and build his desired holiday package and book through the intermediary or the service provider. Although the system is complex it has helped tour operators and other stakeholders in the industry to improve their online offering to the customers and it has given tourists the ability to demand packages that meet their specific needs.

Caliskan et al (2011:303) state that the popularity of the model is a result of its ability to give the customer the capability of making personalized holiday packages and receiving the priced itinerary in real time. They further argue that current customers in tourism try as much as possible to minimize cancellation of their bookings and hence find the real time operations of the dynamic packaging as an innovation that meet this need. Romano (2005) suggests that dynamic packaging gives the customer the liberty to choose when they want to commence their holiday and when to end it rather than being confined to the set itineraries of tour operators which are rigid in terms of departure dates and the length of the holiday package. The major attraction of the model to principals and e-mediaries in the tourism industry is that the systems enable them to give instant quotations to clients without having
to show the price of the individual component of the holiday tour package, (Cardoso, 2005). Further, Romano (2005) suggests that dynamic packaging gives the tourism principals good branding opportunities and the ability to increase brand loyalty in their different market segments.

Markus and Lassnig (2007) argue that the growth of new technologies and their adoption in the tourism industry will help principals in the sector to auction their inventories at discounted rate during low season. However, as was noted by Orman (2006) and Romano (2005) principals in the industry need to be aware that a large part of the tourist market still demand face to face interface before they can part with their money due to a number of factors which include lack of trust of virtual platforms and security considerations.

Caliskan et al (ibid) observe that dynamic packaging demands the use of complex technology and the need to restructure organizational frameworks. Further they note that for the system to be effective it needs to solve challenges of connectivity and interoperability, which is the ability of systems and organizations to operate together using a large amount of data that originate from different product and service providers. They also claim that setting up the system entails overcoming a number of organizational, financial and legal challenges which relate the setting up of the web portals. Markus and Lassnig (ibid) posit that the dynamic packaging model has mainly been adopted by large companies in the tourism industry because of the high costs that are involved in investing in the technology.

Given the costs that are involved in setting up the system, the technological complexity that is involved in implementing the system and the experimental nature of the technology it is not surprising that the model is currently being adopted only by major companies in the tourism industry (Markus and Lassnig, ibid). Therefore small and medium tourism
enterprises in both the developed and developing countries will only be in a position to adopt the model when the current challenges have been solved.

2.6 Information communication technologies adoption by small and medium sized tourism enterprises (SMTEs)

The tourism industry is globally dominated by small and medium sized tourism enterprises (Reino and Baggio, 2013; Kim, 2004; Duff, 2010; Karanasios and Burgess, 2006; Alallak, 2010; Wanjau et al, 2012; Potgieter et al, 2012; Scot et al, 2010; Keller, 2013; Shemi and Procter, 2013). Given the current trends on the continuous growth of the internet as the major source of tourist information as well as the major channel for booking of holidays, (Buhalis, 2013; PhoCusWright, 2012; Jucan and Baier, 2012) it would be expected that most SMTEs have now adopted information communication technologies in the their operations. However this is not the case. Globally SMTEs, whether they are hotels, tour operators, travel agents or event management enterprises have not fully embraced information communication technologies, (Scot et al 2010). Wanjau et al, (2012) point out that SMTEs have been slow in embracing e-commerce. In Europe studies undertaken by Reino and Baggio, (2013) indicated that the majority of the European companies have yet to fully adopt information communication technologies in their operations.

Similar observations were made by Duff with regard to SMTEs in Ireland. In his review of the literature Duff noted that the level of adoption of information communication technologies by SMTEs differs from organization to organization depending on a variety of factors in which the enterprise is operating. In his study of tour operating enterprises in Ecuador Karanasios (2007) showed how the tour operators were still using basic information communication technologies and highlights some of the challenges the enterprises faced in adopting ICTs. Within South Korea Kim, (2004) observed that whilst SMTEs were keen on
adopting information communication technologies a majority of them did not have a full appreciation of the implication of using the technology in their businesses

A number of theories and models have been developed to attempt to explain the characteristics and rate at which SMEs including those in tourism adopt information communication technologies (Chuttur, 2009). Researchers have also identified a number of challenges that have hindered the adoption of information communication technologies by SMTEs (Karanasios and Burgess, 2006, Wiig, 2005, Maswera et al, 2009; Cosh, 2007; Scot et al, 2010; Wanjui et al, 2012; and Mpofu et al, 2011; Scot et al, 2010).

2.6.1 Theories and models on adoption of technology

Researchers investigating the adoption of technology by SMEs in different industries have come up with a number of theories to explain the behaviour of enterprises including those in the tourism industry (Mpofu et al, 2011; Shemi, 2013; Kilangi, 2012). The theories include the following:

- the Technology Acceptance Model (TAM);
- the Theory of Planned Behaviour (TPB);
- the Perceived E-readiness Model (PERM);
- the Diffusion of Innovation Theory (DIT) and
- Stage models of ICT adoption in SMEs.

The technology acceptance model which was propounded by Davis (1986) cited by Shemi (2013: 63) postulates that enterprises adopt new technology once they have been convinced of their “Perceived Usefulness” (PU) as well as the “Perceived Ease of Use” (PEU). Perceived Usefulness is defined as “the degree to which an individual believes that using the particular system will enhance his job performance”. In terms of Perceived Ease of Use this is defined as “the degree to which an individual believes that using a particular system would
be free of physical and mental effort”. PU and PEU lead to use of the technology or lack of its adoption. Once the technology has been perceived as useful it leads to change in behaviour towards adoption of the technology. Figure 2.3 below shows the key components of the TAM model as originally expounded by Davis.

![Figure 2.3: Technology Acceptance Model](image)

**Figure 2.3: Technology Acceptance Model**  
**Source:** Mpofu *et al* (2011:6).

Mpofu *et al* (2011:6) posits that the model is useful in helping to understand how and why SMEs adopt or reject certain technologies. They however indicate that the model has received substantial criticism in the literature. Its main shortcomings include lack of consideration of external influences from the operating environment, customers and competitors. Further criticism of the model is highlighted by Shemi (2013:64) who posits that issues of cultural and social influences are critical in understanding adoption of information communication technologies especially by SMEs in developing countries.

However Chuttur (2009:13) in his overview of the model points to the large number of studies that have been undertaken to test the model and concludes that most of the studies found close relationship between the perceived usefulness and the adoption of a given technological system. Similar observations were made by Sun *et al* (2013) who posit that the main advantage of the model is that it gives a framework through which the effects of external variables on system usage can be assessed. Given the different views expressed by
different researchers on the concept it is evident that whilst the model is a useful concept to
use when investigating the adoption of information communication technologies by SMEs
including those in tourism it is necessary to take cognisance of its shortcomings. The Theory
of Planned Behaviour Model claims that there are three variables that determine the decision
to choose or not to choose a technology within a business enterprise. These variables include
attitude, subjective norm and perceived behaviour norm. As is in the case of TAM there are
indications that whilst the model has been found to be useful (Uzoka et al; 2007) cited by
Shemi (2013) it also has a number of weaknesses, (Shemi: ibid).

The Perceived E-readiness Model which was developed by Molla and Licker (2005)
foccussed on understanding the way enterprises in developing countries adopt technology
. The proponents of the model claim that it has the capability of assisting enterprises in
developing countries to measure and manage e-commerce adoption in their operations. Tan
et al (2007) cited by Shemi, (ibid) tested the model in China and found that the model goes a
long way in explaining the factors that determine an enterprise’s decision to adopt or not to
adopt a given technological system. They also highlighted the limitations of the model in
explaining enterprise decision on technology adoption.

The Diffusion of Technology Model which was propounded by Rogers (1995) views
individuals as having different propensities to adopting innovations. Diffusion is defined as
“the process by which innovation is communicated through various channels over time
among members of a social system” (Rogers, 1995, cited by Shemi, 2013). The model
identifies five categories of individuals with regard to adoption of technology. These are
termed, innovators, early adopters, early majority, late majority and laggards. He further
posited that there are five stages of the adoption process: knowledge, persuasion, decision,
implementation and confirmation (Shemi, 2013). The key influences to adopting innovation are identified as follows, (Rogers, 2003 cited by Kilangi, 2012:18-19):

- relative advantage- the degree to which an innovation is viewed as better than the one before it;
- complexity-the degree to which an innovation is seen as relatively difficult to understand and to use;
- compatibility- the degree to which an innovation is viewed as consistent with current values, previous experiences and the needs of potential adopters;
- trialability –the degree to which a concept can be experimented on and
- observability-the degree to which the results of an innovation are visible to others.

Whilst the model has received positive critique from different researchers (Parker and Castleman, 2009; Hultman, 2007; Looi, 2005) cited by Shemi (ibid) it has also been shown to be too simplified an approach to very complex decision making process (Mehrtens et al 2001). The conceptual basis for the Stage Models of ICT adoption is that SMEs adoption of technology fallows an adoption ladder process in which enterprises go through a number of stages in adopting technology (Zappala and Gray, 2006, Cisco, 2001, Manuelli et al 2007) cited by Mpofu. Variants of the model have been developed by a number of other researchers (Molla and Licker, 2005; Rao et al, 2003; Lamb and Davidson, 2005; and Hashim et al, 2006, (cited by Kilangi, 2012:26-27), however the basic concept remains the same. Organizations are seen as following a structured approach in adopting technology in their operations. The e-commerce adoption ladder model has also been used in the tourism industry to try and explain the rate at which enterprises adopt information communication technologies (Scot et al, 2010). Figure 2.4 below shows the basic outline of the ladder adoption model which was used by the Department of Trade and Industry in the United Kingdom in the 1990s.
It is envisaged that organizations will initially start by using emails for communication with clients and other stakeholders. They will gradually develop websites which lead them to embrace e-commerce and e-business. Finally the enterprise is expected to develop a fully integrated e-business platform. As is discussed below this is a rather over simplification of the processes that enterprises go through when adopting information communication technologies in their operations. Table 2.6 below shows the steps through which tourism enterprises are expected to go through in the process of adopting information communication technologies.

Table 2.6: e-adopter ladder in the tourism sector

<table>
<thead>
<tr>
<th>Stage</th>
<th>ICT characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1: Starting point</td>
<td>Limited exposure to ICT and e-commerce, limited interest to learn more</td>
</tr>
<tr>
<td>Step 2: Internal system and passive internet</td>
<td>Basic internal system for accounting and word processing, access to internet</td>
</tr>
<tr>
<td>Step 3: Basic website and email</td>
<td>Basic website offering online brochure, efficient internal and external communication through email</td>
</tr>
<tr>
<td>Step 4: Effective website</td>
<td>Effective and interactive website; place in worldwide market; window on worldwide suppliers</td>
</tr>
<tr>
<td>Step 5: Transactions and e-commerce</td>
<td>Order and pay online, reducing transaction costs and maximizing accessibility and speed</td>
</tr>
<tr>
<td>Step 6: Integrated e-business</td>
<td>Integrated supply chain</td>
</tr>
<tr>
<td>Step 7: Transformed organizations</td>
<td>Open systems of e-business</td>
</tr>
</tbody>
</table>

Source: Scot et al, adapted from Buhalís and Deimezi, (2004:3)
It is postulated that during the step 1 stage tourism organizations have little exposure to ICT and e-commerce and that there is very little interest to learn about the new technologies. Within step 2 stage it is claimed that the enterprise will incorporate basic technologies like accounting system and word processing. Step 3 stage is seen as the point where the business will establish a website and e-commence to offer online services like e-brochures. Increasing sophistication of use of ICT is progressively envisaged in steps 4, 5 and 6 until step 7 when the enterprise is expected to have been fully transformed to an open system of e-business.

A number of researchers (Beckensale and Ram, 2006; Zappala and Gray, ibid) claim that the models fail to incorporate multiple and dynamic influences which affect SMEs decisions to adopt technology. Similar views were expressed by Alonso and Fitzgerald (2006: cited by Scot et al: ibid) who pointed out following flaws of the models:

- they are an oversimplification of reality;
- they are based on false assumptions that businesses move from basic to advanced website use;
- they lack validation and
- they focus too much on industry level and not on individual instances

The suggested linear progression of adoption of technology is also viewed as unrealistic as some SMEs are unable to go beyond the first stage due to a variety of factors, for example lack of finance to develop and maintain a website. Whilst a number of improvements have been made in the new models the basic challenges of trying to generalize complex decisions that enterprises have to face when deciding to adopt technology still remain.

In view of the above challenges Gibbs et al (2007) cited by Mpofu et al (2011) attempted to consolidate the various theories on SMEs adoption of technology. They argued that the key to understanding the way in which SMEs adopt ICTs is through an understanding of the key
attributes that affect their ability to adopt these technologies. They argue that the following factors have to be taken into consideration: government role, environmental attributes, owner or manager characteristic and organizational attributes.

The main criticism to Gibbs et al’s contribution to the debate on theories of technology adoption by SMEs is that the attributes are not exhaustive and that they are inconclusive, (Zappala and Gray, 2006, cited by Mpofu et al, (ibid). However Mpofu et al (ibid) argue that the model incorporates most of universally accepted concepts and theories on the debate on adoption of information communication technologies by SMEs. They further posit that the attributes as articulated by Gibbs et al offer useful insights in understanding how SMEs adopt ICTs. Whilst the points raised by Mpofu et al have some validity they however do not account fully for the different trajectories that enterprises take in adopting information communication technologies.

2.6.2 Developing countries SMTEs and ICT adoption

Studies carried out in Africa (Wiig,2002; Hinson and Boateng,2007; Vehoest et al,2007; Maswera et al 2008; Potigüeter et al; 2010; Mbatu,2010; Mpofu, 2011, Kilangi, 2012; Wanjau et al 2012) indicate that the majority of the SMTEs in the continent still have a low level of information communication technologies adoption. Potigüeter et al (2010:1) in their study of tour operators in South Africa indicated that 59.6% of the respondents had some form of information system in their enterprise whilst 39.7% were uncertain of the type of information system they were using in the business. However a study carried out on tour operators in the same country by Vehoest et al (2007) revealed more detailed information on how tour operators are using information communication technology in their operations. The study revealed that 93.37% used information communication technology for advertising whilst 89.7% utilized ICT for customer service. In terms of the stage models of technology
adoption the South African companies investigated seem to have reached Buhalis and Deimezi’s (2004) stage 4 of technology adoption whereby they have in place effective and interactive websites.

However, Hinson and Boateng (2007) in their study of SMTEs e-commerce in Ghana found low levels adoption of information communication technologies. For example advertising on the websites made up only 24% of the activities undertaken on the platform. They further indicated that very limited online transactions were being undertaken by the enterprises investigated. Given the outcomes of Hinson and Boateng’s study it can be concluded that SMTEs in Ghana are still at step 3 of the technology adoption model. They have in place basic websites which are being utilized for basic communication with the market without any meaningful business transactions being conducted online. In contrast to the study carried out in Ghana, Wanjau et al (2012) in their study of tour operators and travel agents in Kenya show a high uptake of information communication technologies by SMTEs. Table 2.7 below shows the key areas of application of information communication strategies by Kenyan enterprises.

<table>
<thead>
<tr>
<th>Activity</th>
<th>% use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticketing</td>
<td>70.0</td>
</tr>
<tr>
<td>Marketing</td>
<td>60.0</td>
</tr>
<tr>
<td>Hotel booking</td>
<td>63.3</td>
</tr>
<tr>
<td>Safari tours</td>
<td>66.7</td>
</tr>
<tr>
<td>Payments</td>
<td>60.0</td>
</tr>
<tr>
<td>Advertising</td>
<td>66.7</td>
</tr>
<tr>
<td>Emails</td>
<td>66.7</td>
</tr>
</tbody>
</table>


The results from the Kenyan study give credence to TAM model. Respondents indicated that all the managers of the business enterprises supported the use of technology in their operations. The managers ‘perceived the usefulness’ of ICTs in their enterprises. The management support was reflected in the high use of information communication
technologies in the business operations. Wanjau et al (ibid: 83) proceed to conclude that “management support and leadership is crucial in the adoption of electronic commerce”.

However a number of other studies have shown that management support does not necessarily translate into adoption of information communication technologies (Hinson and Boateng, 2007, Karanasios, 2007). For example whilst 86.1 of the managers of the Ghanaian study supported e-commerce 81% of the enterprises had no e-commerce policies in place and had very limited budget devoted to implementation of information communication technologies in the enterprises (Hinson and Boateng,ibid:8) . It is therefore important to note that whilst developing countries’ SMTEs still generally lag behind in technology adoption specific policies, economic and business environmental factors have a bearing on the rate at which these enterprises adopt information communication technologies (Kim, 2004; Hinson and Boateng, 2007). Research on SMTEs adoption of information technologies in both developed and developing countries has highlighted a number of common challenges (Scot et al,2010; Keller,2013; Reno and Baggio,2012;Wanjau et al,2012;Mbatha,2010;Shemi,2012). Challenges affecting developing countries SMTEs are further compounded by the presence of the ‘digital divide’.

Challenges faced by the majority of SMTEs include the following (Reino and Baggio, 2012; Scot et al 2010; Kim, 2004; Hinson and Boateng, 2007)

- limited knowledge of the availability and benefits of ICTs;
- initial cost of investing in information communication technologies;
- cost of system maintenance;
- lack of skilled human resources;
- resistance to adoption of e-commerce;
- lack of and insufficient-ecommerce infrastructure; and
- security concerns
In addition to the above SMTEs in developing countries encounter the following challenges:

- lack of government support and lack of clear ICTs policies;
- inadequate funding and high cost of capital;
- inconsistent power supplies;
- lack of technical experts;
- inappropriate staff attitude to ICTs;
- limited availability of ICT infrastructure and;
- unrealistic costs of hardware and software.

In view of the multiplicity of the challenges that SMEs face in adopting information communication technologies researchers have adopted different approaches to investigating the problems with a view of coming up with solutions that are appropriate for the enterprises operating in different macroeconomic and political environments.

2.6.3 Approaches to research on SMTEs adoption of ICTs

Studies on the adoption of information communication technologies can be categorized into those that try and test theories on adoption of technology (Duff, 2010; Wanjau et al., 2012; Hinston and Boeteng, 2007; Shemi, 2013; Kilangi, 2012 and Mpofu et al., 2011; Sun et al., 2011;) and those that focus on the general uptake and use of ICTs by SMTEs (Scot et al.; 2012; Vehoest et al.; 2007; Maswera et al.; 2008; Karanasios, 2008; Karanasios and Burges, 2007; CHL consulting, 2010). The following studies give a fair summary of the current research approaches to the debate on adoption of information communication technologies by SMTEs:

- Duff’s study of the Irish SMTEs;
- Mpofu et al’s study of the South African SMTEs; and
• Karanasios study of Ecuador’s SMTE’s.

Duff’s study (2010) of the Irish SMTEs showed the complexity of the barriers that affect these enterprises in adopting information communication technologies. He postulated that the key barriers to adopting information communication technologies by the Irish SMTEs included the following factors:

• fear of technology,
• lack of ICT training;
• over expectation on technology;
• low levels of ICT knowledge and applications;
• size and scale of enterprise;
• security concerns;
• lack of capital,
• personal background; and
• design and integration of old and new ICT systems.

Duff further posits that the barriers can be grouped into push and pull factors. The pull factors include security concerns, cost issues, lack of ICT applications, background of owner, lack of training and fear of technology. The push factors include availability of internal experts, perceived usefulness, perceived ease of use of the technology, organizational readiness and management support. His overall conclusion that information communication technologies adoption by SMTEs is not a linear process is shared by a number of other researchers on the topic (Zappala and Gray, 2006; Gibbs et al; 2007). He further argues that in any given situation the cost of introducing information communication technologies in an enterprise needs to be balanced against the projected utility of using ICTs in the business operations.

The approach taken by Mpofu et al (2011) is very similar to that undertaken by Duff in that they focussed on testing the current theories on technology adoption by SMTEs. The main
attributes on information communication technology adoption the study tested included, organizational readiness, owner or manager attributes, environmental attributes, social networks and government role. According to Mpofu et al, the other key factors that influenced adoption of information communication technologies in the three case studies included formal and informal social networks which acted like technology advisers, pressure from customers, suppliers and competitors and power outages.

The study findings helped to buttresses the main contention on the debate, that there are more complex factors that affect SMEs adoption of information communication technologies than is explained by various models like the Technology Acceptance Model, the Perceived E-readiness Model and the Diffusion of Innovation. The study further demonstrated that SMTEs turn to adopt a cluster of technologies (Kilangi, 2012) rather than a single technology. Table 2.8 below shows a summary of the technologies that were adopted by the three case studies in South Africa.

<table>
<thead>
<tr>
<th>Category of ICT system</th>
<th>Type of ICT</th>
<th>Examples of uses of adopted ICTs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecommunication Technology</td>
<td>Fixed lines, mobile phones and fax</td>
<td>Bookings and enquiries, communication</td>
</tr>
<tr>
<td>Information technology</td>
<td>Computer hardware and peripherals, computer software</td>
<td>Typing, record keeping, printing and photocopying</td>
</tr>
<tr>
<td>Networking technology</td>
<td>Internet and websites, wireless hotspots and ADLS line connections</td>
<td>Online bookings and enquiries, emailing, advertising, communication</td>
</tr>
<tr>
<td>Security systems</td>
<td>CCTV cameras</td>
<td>Security purposes</td>
</tr>
<tr>
<td>Credit card systems</td>
<td>Visa cards, American express card, Dinners club card</td>
<td>Billing purposes</td>
</tr>
<tr>
<td>Audio-visual and conference equipment</td>
<td>Screen projector, TV, Video/DVD equipment</td>
<td>Conferences, seminars and workshops</td>
</tr>
</tbody>
</table>

Source: adapted from Mpofu et al: (2011:13)
The three case studies: a hotel, a tour operator and a lodge adopted technologies that met their specific business needs. For example the three enterprises adopted telecommunication technology because this is essential for receiving booking and customer enquiries. The hotel had in place CCTV cameras in order to respond to the general security concerns of their customers.

Karanasios (2007), in his study in Ecuador observed that SMTEs had basic websites which were mainly used for promoting their products with very few of them offering e-commerce opportunities. The major inhibitors to adopting e-commerce were identified as costs of adopting the technology, lack of government support, poor and rudimentary ICT infrastructure, employees’ lack of skill and challenges with the English language which is the dominant language for communicating with overseas clients. The study further demonstrates the fact that with owner or manager commitment to introducing information communication technologies in the business SMTEs will often find innovative ways of overcoming the barriers they encounter in their operations.

On the basis of his findings Karanasios concludes that approaches to analysing information communication technologies adoption by SMTEs in the developing countries need to be flexible. He further cautions on the need to take into account the business environment in which these enterprises are operating in as well as the resource constraints which they face. One of the major contributions the study makes to the debate on the adoption of information communication technology by SMTEs in developing countries is that once owners or managers of the enterprises are convinced of the strategic importance of the using ICTs in their operations they will find innovative ways of overcoming any obstacles they may encounter. It is therefore important to give adequate weight to the role owners or managers play when investigating and analysing factors that affect the adopting of information
communication technology by SMTEs in any developing country (Mgijima and Flowerday, 2012; Wanjau et al, 2012).

The variety of technologies adopted by the enterprises further helps to explain why it often difficult to adopt ‘a one size fits all’ theory in the adoption of ICTs by SMTEs because enterprises have to consider a wide a range of factors before they can decide on which technology to adopt. This observation is also borne out by the study of Hinson and Boateng (2007) which points out that top management support is an insufficient variable to explain adoption of information communication technologies by SMTEs. A similar observation was made by Salim et al (2013). Whilst 95% of the hotel managers in the Zanzibar study regarded information communication technologies as a priority very few of the hotels used information communication technologies effectively. Further Kilangi (2012) claims that evidence from his study in Tanzania points to the fact that no single theory is adequate for explaining the adoption of information communication technologies by SMTEs.

From the above discussion it is important to point out that whilst the current theories and models are useful in explaining the general pathways that are taken by SMTEs in adopting information communication technologies they are inadequate in explaining specific cases in given environments. Further it is also important to note that a number of the theories were drawn up out of the developed countries’ experiences and hence are inapplicable to developing countries situations (Kilangi, 2012, Mpofu, 2011).

In view of the variety and complex nature of the factors that affect SMTEs in adopting information communication technologies the recommendations made by Kim (2004) are a useful guide for any study on the topic. He suggests that governments need to develop a national vision, a strategic plan and policy guidelines on how SMTEs can operationalize e-commerce. He further suggests that the enterprises should choose business models that are
tailor made for their specific needs. He finally argues that there should be effective collaboration between the public and private sector on how SMTEs can effectively tap into information communication technologies in order to ensure long term sustainability of their enterprises.

2.7 Use of information communication technology as a business strategy for tourism enterprises

According to Casadeses-Masanelle and Richart (2009:2) business strategy refers to the choice of business model through which a firm competes in a market place. The inclusion of information communication technologies as part of a firm’s business strategy including those in the tourism sector has been driven by a number of factors which include the following:

- the development and growth of information communication technologies;
- the perceived competitive edge of including information communication technologies in the business strategy; and
- the changing product needs and buying behaviour of customers especially in the tourism sector.

The development and growth of information communication technologies have led enterprises to reassess their business strategies (MacFarlane, 1984; Porter and Millar, 1985; Ives and Mason, 1990) cited by Scot et al (2010). Ahituv and Newman (1990, cited by Scot et al,) argue that there are three main factors that encourage enterprises to include information communication technologies as part of their business strategy. These factors were seen as, presence of significant information content between buyers and sellers, presence of competitive pressure in the industry and limited product or service life. Porter, (1985) identified five factors that persuade enterprises to consider the inclusion of information communication technologies as part of the business strategy. These were
identified as, competitive rivalry, threats to new entrance, bargaining power of suppliers, bargaining power of customers and threats of substitutes. He postulated that competitive advantage results from a company’s ability to manage the five competitive forces better than its rivals. However, Scot et al (2010) argue that it is no longer possible for enterprises to remain competitive through the value of product/services offerings only. They argue that it is now critical to integrate information and other service to remain competitive and that information communication technologies are the ideal vehicle through which companies can achieve their desire to remain competitive and sustainable.

Enterprises within the tourism industry have gradually embraced information communication technologies as part of their business strategy (Ndou and Passiante, 2002; Daniele and Frew, 2005; Buhalis et al, 2011; Cavlek, 2013). Ndou and Passiante (2002:5) claim that the use of information communication technologies strategies by tourism enterprises has the following competitive advantages:

- provides opportunities for cost reduction leading to operational efficiency;
- facilitates knowledge sharing and creation of new products/services;
- allows enterprises to offer better customized products/services leading to customer loyalty; and
- enables companies to diversify their markets.

They conclude that the adoption of information communication technologies by SMTEs help them to enter into new markets and improve their internal and external efficiencies. Similarly, Daniele and Frew (2005) posit that enterprises in the tourism industry including tour operators have implemented information communication technologies strategies to cover several areas of their business operations including the following:
• infrastructure management-flight search engine technology and direct search technology;
• customer relationship enabling technology for the creation of brand awareness, generation of traffic, offering of inventory and customer retention;
• product innovation technologies, for example dynamic packaging capabilities

The above observations are confirmed by Cavlek (2013) who points out that tour operators have responded to current market changes by implementing strategies of differentiation utilizing information communication technologies (ibid:3). He further points out that the use of ICT alone has not been adequate for the enterprises to survive in the market place. He highlights the point by citing Dwyer et al (2009:66) who conclude that: “success of tourism enterprises will continue to hinge on their efforts to add value to products and services through the use of technology producing competitive advantage”. The main argument of Cavlek is that tour operators have to change their operational architectures from being organizers of tour packages to designers and innovators of unique holiday experiences that the customers are looking for. He goes on to claim that the change in operational architectures can only be achieved through the use information communication technology through the whole value chain of the business (ibid: 5).

According to Buhalis et al (2011) technology has now emerged as the ‘info-structure’ for many organizations within the tourism sector. They however highlight a number of technical issues that need to be addressed before information communication technologies can become a standard element of the strategic package of the majority of enterprises in the tourism industry. These include interoperability, that is, presence of standardized electronic system that allows organization to communicate with each other in the most efficient and convenient way, web designs, accessibility and navigability.
Buhalis et al (ibid) further argue that information communication technologies developments have direct impact on the competitiveness of enterprises because they affect the two pillars of competitive advantage that is differentiation and cost advantage (Porter, 2001). Their concluding observations that both enterprises and destinations will in the long run have to include information communication technologies in their operations is supported by a number of studies that observed the inclusion of ICTs as part of the business strategies, (Daniele and Frew, 2005; Cardoso, 2005; Barradas and Pinto Ferreira, 2009; CHL consulting, 2010; Scott et al, 2010; Thakran and Verma, (2013).

In view of the continuous changes occurring in information communication technologies CHL consulting (2010: xii) made pertinent recommendations to the Irish tourism sector which are applicable to the industry as whole globally. With regard to strategic approach on technology they recommended the following:

- develop a distribution strategy that focuses on revenue management making sure that it suits the target market;
- consult with and use resources provided by peers and other industry bodies; and
- resource the area of channel distribution and ensure that staff have the requisite skills and knowledge.

They further pointed out that enterprises in the sector need to seek the advice of unbiased sources like industry bodies when making a decision to invest in information communication technology as there is a high risk of investing in inappropriate technology.

2.8 Conclusion

This chapter set out to undertake a critical review of the evolution of the use of information communication technologies by tourism enterprises and how this has affected the sector’s
business models. The outcomes of this chapter are that tourism enterprises have had to re-engineer their business models in order to accommodate the changes that have been brought in by the introduction of information communication technologies. It was also shown that the use of information communication technologies in the distribution of the tourist product has changed the relationships between the principals, intermediaries and customers in some cases leading to channel conflict. The chapter highlighted the fact that the introduction of the internet and the World Wide Web led to the establishment of new business entities in the form of virtual intermediaries which are now competing with the traditional intermediaries.

The chapter further discussed several models and theories that attempt to explain the adoption of technology by enterprises including those in the tourism industry. It was shown that the models and theories need to take into consideration special conditions in which the businesses are operating and that most of them are based on studies carried out in the developed countries and hence are inappropriate for the developing world context. A discussion on the challenges faced by SMTEs in both developing and developed countries showed that whilst these enterprises face similar challenges those of the developing countries are exacerbated by the “digital divide” and lack of government policy on information communication technologies.

The chapter concluded by discussing the position of information communication technologies in the business strategies of enterprises in the tourism sector. It was shown that both large and small and medium sized enterprises in the sector have adopted some level of information communication technologies in their operations. The effectiveness of these information communication technologies were shown to be depended on a wide range of variables which include among others management attitude, availability of skilled workers and the overall business environment.
The next chapter will focus on the elaboration of the proposed business model to be used by Zimbabwean tour operators which will facilitate the improvement of their business performance and ensure their long term sustainability.
CHAPTER 3

THE BIMODAL HOLIDAY PRODUCT DISTRIBUTION MODEL

3.0 Introduction

The tourism value chain was for a long time dominated by tour operators who acted as wholesales to the industry. Developments in information communication technologies and changes in product needs and characteristics of the consumer have, however, weakened the central position of the tour operator in product distribution in the tourism sector. Zimbabwean tour operators currently distribute their holiday products through tour operators in the source markets who add their own mark up to the original cost before selling the holiday packages to the consumer. The bimodal distribution model is based on the proposition that continued use of the “traditional” product distribution model by Zimbabwean tour operators is no longer appropriate and that the growth and sustainability of Zimbabwean tour operators requires a stronger direct interface with customers in the source markets. This interface depends on the improved use of information communication technologies than is currently the case. The model will assist in enhancing the long term sustainability of the country’s tour operators in two ways. On the one hand, the tour operators will be able to generate business through their traditional links with source market tour operators and on the other hand, they will receive additional business through direct access to source market consumers through the use of internet platforms.

3.1 Evolution of the product distribution value chain

The distribution value chain of the tourism product has witnessed three phases since the creation of the first package tour by Thomas Cook in 1845 (Yale, 1995). The three phases
have witnessed the adoption of different models of business operations by tour operators. The phases can be categorized as follows:

- the era of tour operator dominance;
- the era of transition to information communication technologies; and
- the era of consolidation

### 3.1.1 The era of tour operator dominance

The tour operator occupied a central position in the distribution of the tourist product. He was able to determine the types of product elements to be included in a holiday tour package and how the product was to be distributed. Tour operators were able to influence demand for hotels rooms, airline tickets and other facilities in the industry because of their ability to buy products and services in bulk and sell them as a single holiday package. Figure 3.1 below shows the central position that was for a long time occupied by the tour operator in the tourism industry.

![Figure 3.1 Position of the tour operator in the tourism and hospitality industry](image-url)
The tour operator purchased accommodation rooms in bulk from the principals under agreed contractual arrangements. The tour operators’ ability to purchase rooms in bulk gave them strong price bargaining power which often resulted in them receiving discounted rates ranging between 20-30% (Middleton 1994:295). Similarly the tour operators purchase airline tickets, touring activities and other services in large quantities and were therefore in a position to determine the flow of business to the different suppliers in the tourism industry. Other services provided by the tour operator include insurance, medical cover and visas where these were necessary. At times the tour operator also facilitated the purchase of travellers’ cheques or foreign currency for the customers. The ability of the tour operators to source different products and include them in their tour packages gave them the competitive edge to lead in product innovation.

During the early years of tour operations, entrepreneurs like Thomas Cook, bought these different elements of the holiday products and created saleable holiday packages which were accessed by the consumers through the travel agent. In this arrangement, the product components and the price were determined by the tour operator. The consumer had very minimal opportunity for influencing the product elements to be included in the holiday package as well as the price at which the holiday packages were sold.

Figure 3.2 below shows the traditional tourist product distribution model.

![Figure 3.2: Traditional tour operator distribution model](image)

*Adapted from Middleton (1994: 204)*
The traditional tourism product distribution model was viable due to a number of factors. Firstly, both the tour operator and the travel agent had an in-depth understanding of the products they offered and hence customers could rely on their advice on the type of holiday products to buy and the areas they could take their holidays. Secondly, the tour operator offered a complete holiday package and hence the customer did not have to search for the different elements of his or her holiday products.

The traditional role of the tour operator is clearly reflected in the definition by Yale (1995:1).

\[
\text{A tour operator is a person or a company who purchases the different items that make up an inclusive holiday in bulk, combines them together to produce package holidays and then sells the final package to the public either directly or through a travel agent.}
\]

This definition attempts to highlight the role that is played by the tour operator in the tourism value chain. Developments in information communication technologies and their use in the tourism industry, however, have distorted the original understanding of the term “tour operator”. The internet, for example, has brought about a new business environment which has enabled the establishment of virtual tour operators. This does not conform to the definition as expounded Yale (1995). In addition to the presence of virtual tour operators, the increasing use of Central Reservation Systems (CRS) and Global Distribution Systems (GDS) by airlines and hotels has further distorted the original definition of the tour operator. These technologies have enabled customers to access a wide range of products from the principals on terms and conditions similar to those offered by the traditional tour operator.

3.1.2 The transition to information communication technologies

Given the developments in technology and the changes that were occurring in the industry, tour operators had to re-engineer their business models in order to ensure that they remained
in business (Karcher, 1996; Kracht, 2009; Potgieter et al. 2010). The internet enabled tourists to access various products and services through E-mediaries which operates as virtual tour operators. Further the consumers were also able to access different products through the websites of different principals. Finally travel agents could also use the principals’ websites to access various products and services. The increase in product distribution competition therefore threatened the central position of the tour operator. Tour operators had to re-engineer their business operations and adopt new business models that incorporated the internet.

The re-engineering of the business entailed, among other things, the creation of horizontal and vertical strategic networks, investing in information communication technologies and creation of virtual platforms using the World Wide Web. The internet became a key component of the tour operators’ product distribution channel. Figure 3.3 below shows the internet based model currently being used by most tour operators.

![Figure 3.3: Tour operator internet based model: (Salvado et al; 2012)]
The tour operator continues to source products and services from principal suppliers like hotels and airlines and produce package holidays for the market. However instead of relying only on travel agents and their own physical offices for distributing the holiday packages, they have created internet based platforms through which potential customers can purchase their products. The platforms include their own websites which contain a wide range of tour packages and general destination information, their own internet portals that offer all the services that are being provided by e-mediaries and the internet portal of the travel agents who are part of their distribution network.

The new model has helped the established tour operators to compete effectively with newly established e-mediaries. Tour operators have used their trusted brand names to attract customers to their sites. With the dramatic growth of the internet based tour operators and the high bankruptcy rate that has followed this growth (The Economist, 2011) customers have tended to prefer utilizing portals of established and well known tour operator brands like TUI, Kouni, and Thomas Cook when purchasing holidays online.

3.1.3 The era of consolidation

Whilst acknowledging the strategic importance of the internet as a major component in the distribution of their products and services, the global market leaders in tour operations like TUI have retained a strong element of the traditional distribution model. This is in line with Porter’s (2001) argument that information communication technologies should only be used as a part of the company’s overall business strategy. The tour operators have broadened the types of information technologies which they are now employing in order to continuously enhance their brand image as well as brand visibility. These technologies include among others Facebook, Twitter, Utube and a multiplicity of other social networks which have
increased in popularity with consumers in recent years. The tour operators are investing in search engines and social media technologies to run a variety of promotional activities that are aimed at increasing the volume of clients to their sites.

Globally, the tour operator business has reached a consolidation era whereby the original intermediation model has been buttressed and enhanced by the infusion of a wide range of information communication technologies (Cavlek, 2013:3). Some of these technologies, for example Utube, give the potential customer the ability to sample the product before purchase through virtual tours. The customer is now in a position to have an idea of the type of product or services he or she is going to experience at the holiday destination.

The major tour operators in the developed countries have consolidated their product distribution models most of which are anchored on the original concept of intermediation which is now buttressed by information communication technologies, strong brands and innovation.

3.2 Zimbabwean tour operator’s product distribution system

Tour operators in the country operate mainly as ground handlers for clients generated by tour operators in the source markets. They therefore concentrate on the development of tour packages that are sold to tour operators in the source markets. They also focus on ensuring efficient ground handling of clients that would have been sent by source market tour operators. Further they concentrate on managing their relationship with local product suppliers who are a critical component in delivering quality services to the clients they bring into the country.

The majority of tour operators in the country are small and medium sized enterprises. It is therefore difficult for most of them to directly market and promote their holiday packages in
the source markets. They do not have the financial and technical ability to compete with the outbound source market tour operators. Their business model is therefore based on a partnership relationship with a range of source market tour operators.

The tour operators in the country source products like hotel accommodation and airline tickets from local suppliers in bulk. They undertake research and develop tour itineraries within the country and then put together holiday packages. They endeavour to persuade source market tour operators to include the holiday packages in their own brochures. Once a source market tour operator has agreed to sell the holiday packages, a service and financial agreement is entered into between the tour operators. The source market tour operator will undertake to promote and sell the packages under its brand name.

The Zimbabwean tour operator is responsible for handing all the touring services for the clients during their stay in the country. These include meeting the clients at the airport and transferring them to their respective hotels; taking the clients on guided tours and rendering any advice and additional service that the clients may require. The Zimbabwean tour operator is also responsible for managing the relationship with the local suppliers. For example, the tour operator ensures that the clients are booked into the appropriate rooms at the hotels where they have been checked into and that all the touring activities provided by third parties are in accordance with the itineraries that were sold by the source market tour operator.

Given the growth of the use of the internet worldwide, it would be expected that tour operators in Zimbabwe would use the technology to market and sell their holiday packages direct to the potential clients in the source markets. This would make their products competitive as commissions to source market tour operators would have been eliminated.
However, the tour operators in the country face a number of challenges in selling their products directly to the potential tourists. Firstly, the “digital divide” that is faced by most third world countries, including Zimbabwe, means that tour operators in the countrymen counter a range of difficulties in trying to adopt information communication technologies in their enterprises. Secondly, the fact that the tourist product is “a purchase unseen” means that potential tourists will only be willing to purchase products on line from tour operators whose brands they are familiar with and are confident of their service delivery (Wiig, 2003). Finally, the ability to understand the product demands of the different customers in the source markets is beyond the capability of the majority of tour operators in Zimbabwe.

The source market tour operator distribution model that is being used by Zimbabwean tour operators is inappropriate for the future sustainability of these enterprises. The World Wide Web has created an environment in which the source market tour operators are able to gather a wide range of information about different destinations and hence can discard the destination tour operator without much negative consequences to their business.

The current model is a high risk one for tour operators in the country because there is no guarantee for long term relationship to be established with source market tour operators. The use of the current model helps to explain the high mortality rate that the tour operating enterprises have experienced in the country. For example companies like United Touring Company, (UTC) Abercrombie and Kent, (A and K) Green Route and Southern African Tourism Services (SATS) which dominated the industry in the 1980s and 1990s have either closed down or are now minor participants in the industry. Source market tour operators moved their business to new partners which they were more comfortable with in terms of service delivery. For example, the establishment of Tourism Service Zimbabwe (TSZ) in 1994, a joint venture company between a major Mauritian tour operator and a Zimbabwean
company, resulted in overseas tour operators who were served by the Mauritian company shifting their business from companies like UTC to Tourism Service (TSZ internal reports 1995-1998).

The majority of Zimbabwean tour operators have incorporated information communication technology as part of their business strategy as propounded by Porter (2001). The lack of e-commerce platforms on the websites, however, means that the enterprises are not in a position to reap maximum benefits from their investment. The tour operators therefore need a model that will enable them to effectively leverage information communication technologies to improve their business performance and hence ensure long term sustainability.

3.3 The bimodal holiday product distribution model

The bimodal product distribution model is anchored on two conceptual frameworks; which are: five strategic business drivers and a bimodal technology driven distribution platform. The model is based on the argument that says that enterprises cannot successfully utilize information communication technologies as the sole pillar for growing their business (Porter 2001). Zimbabwean tour operators need to use information communication technologies as part of their broad business strategy. The model is underpinned by five key strategic drivers which are: product innovation; technology; strategic networks; people and brand development and consistency.

Product innovation is a key variable in the competitiveness of tour operators. Tourists are always searching for new products and hence Zimbabwean tour operators need to continually offer potential customers new products for them to be able to compete effectively in the international market. The majority of domestic and international tourists search for holiday information on the internet using multiple devises. Technology is
therefore a key variable in the model because Zimbabwean tour operators cannot tap into the international market if their products are not effectively exposed to the market through technology.

The tourism industry has intensive forward and backward linkages within its supply chain. In order for the Zimbabwean tour operators to flourish in the current technology driven environment they need to identify and establish appropriate partners to collaborate with. The establishment of strategic networks is therefore a key variable in the model because it ensures the long term viability of Zimbabwean tour operators.

The quality of service delivery to customers is depended on the knowledge, skills and attitude of tour operators’ employees because they are the ones that daily interface with clients. The employees (People) are a critical variable in the assets of tour operators. The model therefore emphasizes the need for Zimbabwean tour operators to ensure that their employees are knowledgeable, well groomed and have outstanding people skills.

Tourists purchase holiday packages online from tour operators whose brands they trust. Zimbabwean tour operators have to strive to build trustworthy brands that consistently deliver holiday packages and experiences that tourists are searching for. Brand development and consistency are therefore important variables in the bimodal product distribution model because tourists’ decision to purchase a holiday package online is determined by their familiarity with the tour operator’s brand.

The model enables the tour operators to utilize their knowledge of the country’s tourist products and their relationship with local suppliers to develop unique products that will appeal to both the domestic and the international markets. The tour operators’ ability to create innovative products utilizing their local knowledge will give them a competitive edge over the product offerings of international tour operators.
The model argues that tour operators need to fully harness the benefits of information communication technologies in their operations. This is essential because the current tourist is constantly linked to the email and social media, is hyper-interactive, has limited attention spurn and is a multichannel user (Starkov and Safer, 2011; Salvado et al 2012). Effective use of technology gives the Zimbabwean tour operators the ability to obtain incremental business as they will be able to sell their holiday packages directly to the source market tourists. Further the use of information communication technologies gives the tour operators the opportunity to improve their products offering as they will be in constant communication with their clients through various internet based platforms.

The model further highlights the need to develop strategic networks at both local and international levels. This is a key success factor for the sustainability of the country’s tour operators. The strategic networks lead to the establishment of business partnerships which are essential for the long term sustainability of the local tour operators.

A major component of the model is staff training. The sustainability of any tourism business including tour operations is depended on good service delivery. Given the fact that today’s potential client is extensively travelled and is always looking for value for money the model posts that staff training has to be a core element of the business strategy.

The model further argues that leveraging information communication technologies to interface directly with customers through online platforms will enhance business performance. This can only be realized, however, once the tour operators have established trustworthy brands in the source markets. Tourists are unwilling to purchase holiday packages online from tour operators whose brands they are unfamiliar with. Brand building is therefore another key strategic driver within the framework of the model.
3.3.1 Pillars of the holiday product distribution model

Figure 3.4 below shows the proposed bimodal holiday product distribution model for Zimbabwean tour operators.

![Diagram of the bimodal holiday product distribution model]

Figure 3.4: Bimodal holiday product distribution model

The model utilizes two channels for product distribution: the source market tour operator’s distribution channels and the destination tour operators’ distribution channels. The destination tour operator is the tour operator who is located in the area in which the tourists undertake their holiday activities. In contrast, the source market tour operator is a tour operator who is located in the area where the tourists originate from. The source market customers are all the potential tourists who have the ability to buy holiday packages to different parts of the world. The utilization of the bimodal distribution model is facilitated through the adoption of information communication technologies by the Zimbabwe’s tour operators.
The first channel utilizes the traditional distribution platforms. The destination tour operator purchases different generic products (hotel rooms, airline tickets, touring activities etc.) from suppliers in bulk at discounted rates. The different products are then transformed by the tour operator through the creation of inclusive priced holiday packages which the potential tourist can purchase. The holiday packages are finally distributed through the source market tour operator who puts his own mark up on the product before selling them to the potential customers.

The model advocates for the retention of this distribution channel because it gives Zimbabwean tour operators the opportunity to sell their holiday packages through partners that have an in-depth understanding of the customer. These tour operators also have better financial resources to market and promote the holiday packages in the source markets. Further, the source market tour operators have multichannel product distribution platforms which include: a network of travel agencies; call centres; their own retail shops and internet based platforms. The source market tour operator will therefore ensure that the holiday product from the Zimbabwean tour operator is exposed to as large a section of the potential customers as possible.

The second channel for product distribution is through effective utilization of information communication technologies. The destination tour operator uses online platforms to distribute their products. The online platform involves the establishment of websites by tour operators. The websites will be linked to the internet and can be accessed by potential customers from different source markets globally. The model allows the Zimbabwe’s tour operators to distribute their holiday packages directly to the source market customers through websites and other internet based portals. It entails the Zimbabwean tour operators
developing hassle free and attractive e-commerce platforms, on which clients are able to book, confirm and pay for their holidays online without undue delays.

In order to adopt the model in their enterprises the Zimbabwean tour operators will need to invest in ICT equipment because this is a key enabler in the implementation of any internet based product distribution system. The tour operators will further need to train their staff in the use of different information communication technologies applications.

The use of a second distribution channel will enhance the long term sustainability of the country’s tour operators due to a number of factors. The Zimbabwean tour operators will receive additional business through their online platforms. Further, the model gives the Zimbabwean tour operators the opportunity to create awareness of their own brands within the source markets and hence gradually develop brand trust through referrals from the customers they would have served. This is important for the long term sustainability of each tour operator because once customers begin to trust the local tour operator brands the enterprises will receive more direct bookings from the customers. The increased direct business flows will help to reduce the Zimbabwean tour operators’ long term dependence on source market tour operators.

The model also gives the Zimbabwean tour operators leverage in negotiating partnership agreements with source market tour operators. This is due to the fact that the source market partners will be aware that the local tour operators are able to source business directly from the markets through their own online platforms. The agreements that they will enter into will therefore be less skewed in favour of source market tour operators as is the current situation. Adoption of the model will enable Zimbabwean tour operator to continually use the source market tour operators’ distribution channels to augment their own direct distribution networks.
The model enables the Zimbabwean tour operators to provide customers in the source markets with more competitive holiday packages as they will have cut out the source market tour operator. Finally the model allows the local tour operators to tap into the well-travelled market segment in the source market that does not need the guidance of the source market tour operators in choosing their holiday destinations. Adequate travel information on Zimbabwean tour operators’ websites will assist this market segment to select the type of holiday they require in Zimbabwe. These customers will therefore have the opportunity to enjoy enhanced holiday experiences in the country as they are in a position to specify to the Zimbabwean tour operators the exact type of holiday packages they will be seeking in the country.

3.4 Conclusion

The chapter set out to develop a tourist product distribution model for Zimbabwean tour operators. It highlighted the traditional tourist product distribution model and showed how it has been affected by the adoption of the information communication technologies in the tourism industry. The chapter discussed the relationships between the destination tour operators and the source market tour operators. It showed how the long term viability of the Zimbabwean tour operators is depended on the business decisions of the source market tour operators. The chapter argued for the need for the country’s tour operators to adopt information communication technologies as part of their business strategy whose other elements include product innovation, strategic networks, staff training and brand development. The proposed bimodal holiday product distribution model is underpinned by two pillars which are the destination tour operator’s distribution channels and the source market tour operator’s distribution channels. It was argued that the adoption of the bimodal holiday product distribution model by Zimbabwean tour operators will lessen their
dependence on source market tour operators. It was further shown that the adoption of the model increases the tour operators’ visibility in the market and ensures that their long term viability is depended more on their own competitiveness than on the decisions of source market tour operators.

The next chapter will discuss the research design and methodology that was used for the study. It further outlines the research instruments that were used to obtain data from the respondents during the study.
CHAPTER 4

RESEARCH METHODOLOGY

4.0 Introduction

The purpose of this chapter is to explain the methodology used in the study. The chapter will highlight the main research approaches and show how they are linked to different research designs, methods and strategies. The study utilized the qualitative research methodological approach due to the nature of the data that was needed to answer the research questions. The researcher also used the quantitative research methodological approach to gather discrete data on the characteristic of the study population. The study population, its sample population and sampling methods used in the study are outlined and discussed.

4.1 Research Design

Research design entails discussing among other things the methodologies employed in the study and their characteristics, strategies adopted, the study population, the data collection instruments used and the data analysis procedures employed.

4.1.1 Research philosophy

Researchers are guided by the research philosophies which govern their views of the world. In broad terms, two major philosophical approaches, the positivism and the interpretivism philosophies dominate researchers’ views of the world and what constitutes knowledge.

Positivism is derived from the natural sciences in which forms of knowledge are based on experimental processes that can be observed and controlled. Hypotheses about causal
relationships on variables are set and tested and if proven can then be generalized to a wider population. This philosophical approach is associated with deductive thinking (Patten, 2002).

Interpretivism focuses on the need for the researcher to derive forms of knowledge from the society he is investigating (Saunders, Lewis and Thornhill; 2012: 137). The approach uses inductive thinking. The researcher gathers data from the study population which is then used to develop a theory. The study is guided by the interpretivism philosophy. This is due to the fact that the model that is being recommended for adoption by tour operators is derived from discussions with key informants to the study and comments received from tour operators that participated in the survey.

4.2 Research methodologies

Mouton and Marais (1990:16) define methodology as the logic of the application of scientific methods to the investigation of phenomena. Similarly, Jennings (2001:34) defines the term as the set of guidelines for conducting research. Finally, O’Leary (2004:88, cited by vanRensburg (2010), argues that research methodology is a framework that is associated with a particular paradigm which is used to carry out a study.

There are two main research methodologies: quantitative research methodology and qualitative research methodology (Jennings, 2001; Patten, 2002). The former is associated with the positivist philosophy and the latter is associated with the interpretivism philosophy. A third approach, the mixed methodology which incorporates elements of the quantitative and qualitative methodologies is now fully established in the social sciences as a fully-fledged approach in its own right (Mouton and Marais, 1990; Sarantakos, 1998; Creswell, 2006).
4.2.1 Quantitative research approach

The quantitative approach uses numeric data to describe existing phenomena and focus on answering questions on “what?”, “where?”, “when?” “how much?” and “how many?” on the phenomena being investigated (Wekwete, 2013). It further has the capability of showing relationships between variables as well as measure levels and trends of occurrences of phenomena.

According to Jennings (2001:89) the approach has the following advantages:

- it allows for greater objectivity and accuracy of results;
- it usually involves few variables and many cases and employs prescribed procedures to ensure validity and reliability;
- the research can be replicated and then analysed and compared with similar studies;
- it allows the researcher to manipulate vast array of data through the use of a range of computer software packages; and
- it allows one to summarise vast sources of information and facilitate comparisons across categories and over time.

Although it is the dominant research approach used by natural scientists and a large component of social scientist (Creswell, 2006) it never the less has a number of limitations that a researcher needs to be aware of when carrying out a study. Jennings (2001:114) summarizes these as follows:

- the research is often carried out in unnatural, artificial environment so that a level of control cannot be applied to the exercise;
• there is a gap between rhetoric and reality and pre-set answers will not necessarily reflect how people really feel about a subject and in some cases might just be the closest match;

• the development of standard questions by researchers can lead to structural bias and false representation where the data actually reflects their views instead of participating subject;

• results are limited as they provide numerical descriptions rather than detailed narrative and generally provide less elaborate accounts of human perception; and

• the approach only deals with issues known at the beginning of research project as this is when the questions are decided and documented.

The quantitative approach was used to gather the data on the characteristics of the tour operating enterprises in the country. This included, among other things, the size of the enterprises, their longevity in the industry, market segments served and type of information communication technologies being used. The study endeavoured to minimize the disadvantages of the approach by ensuring that the wording and instructions on the instrument used to gather the data were clear and easily understood by the respondents.

4.2.2 Qualitative research approach

The qualitative approach is a holistic inductive paradigm which focuses on evidence from the field in order to derive a theory. The approach uses multiple meanings of individual experiences, images and verbal narrative to develop a theory or a pattern. The researcher carries out the study in the natural settings of the respondent. The qualitative research approach gives the researcher the ability to answer the “how?”, “why?” and “what?” questions of an investigation because respondents are able to give their personal views of the phenomenon being investigated.
The approach gives the researcher the ability to interface directly with the participants. It therefore has a number of advantages (Jennings, 2001; Patton, 2002:40-41) which include the following:

- it achieves a greater level of depth and detail than quantitative technique through treating each case as unique;
- it allows sensitive subjects to be approached in a sensitive way by allowing the researcher to employ personal skills to help lessen difficulties of the subject matter;
- it creates openness between all parties through the informal way data is collected and encourages respondents to be more forthcoming in the discussions;
- it provides opportunities for respondents and researchers to clarify ambiguities or confusion over concepts;
- it creates a better understanding of a situation by reading a descriptive passage than just looking at demographic statistics;
- it gives the researcher the opportunity to understand the phenomena being investigated from a holistic perspective; and
- it gives the researcher the flexibility to use different strategies depending on the nature of the specific inquiry being undertaken.

The approach has a number of limitations however, which have been noted by Haralambos (2000) who highlights the following:

- some respondents feel uncomfortable in the presence of an interviewer and hence are not forthcoming in their answers to questions;
- data is collected from a few cases or individuals and therefore findings cannot be generalized to the broader population;
the information collected is voluminous and results are more difficult to aggregate and therefore it does not allow for systematic comparisons;

- data analysis and interpretation is time consuming because it is obtained in a narrative form; and

- influences like gender and ethnicity of researchers may impact on some of the answers given making it difficult to maintain rigor and demonstrating trustworthiness of the findings.

This is the main approach that was used to carry out the study. This is because the researcher needed to have face to face interviews with key informants who are knowledgeable about the industry. They were able to offer in-depth insights into the challenges that the enterprises are facing. They were also able to give useful advice on what the tour operators need to do in order to ensure long term viability through leveraging information communication technologies. Finally the key informants gave an informed critique of the bimodal product distribution model that has been proposed for the tour operating enterprises.

4.2.3 Mixed research approach

Researchers have increasingly found it inadequate to utilize a purely quantitative approach or a purely qualitative approach in their studies. This has led to the adoption of elements of qualitative approach and elements of quantitative approach in sections of their studies, (Creswell, 2006:19, Saunders et al, 2012:164-165).

Creswell (2003) traces the development of the mixed method from the work of Campbell and Fiske (1959) to that of Tashakkori and Treddlie (2003). The approach within this methodology has two perspectives. Firstly the sequential procedure whereby the researcher starts with one method and then proceeds to use another method using the findings of the
first method to feed into the next stage of the study. Secondly the concurrence procedure whereby the researcher simultaneously employ the qualitative and quantitative methods to gather the data and then combine the information in the analysis stage of the study.

Johnson, Onwuegbuzie and Turner (2007) discuss the theoretical development of the concept including some 19 definitions that have been put forward by different researchers. Their own definition is articulated as follows (2007:13):

\[
\text{Mixed methods research is the type of research in which a researcher or a team of researchers combines elements of qualitative and quantitative research approaches, for the broad purpose of breadth and depth of understanding and corroboration.}
\]

The main advantage of the mixed method approach is the flexibility it gives the researcher to use the most appropriate research instruments from both qualitative and quantitative methods at different stages of the study. The key disadvantage is the demand on the ability of the researcher to make effective analysis and interpretation of data collected from two opposing research paradigms.

This study drew its philosophical orientation from both positivists and interpretivism approaches. This is a result of the types of information that the researcher needed to gather in order to answer the study’s research questions. One the one hand, the study gathered quantitative data which was used to make generalizations on the population of the study. On the other hand key informants gave in-depth insights into the nature of the challenges that the tour operators in Zimbabwe are facing in their enterprises. The key informants outlined various ways through which tour operators can employ information communication technologies to ensure the long term sustainability of their enterprises. These included
among others online advertising of tour packages, online provision of information about the company and its services and creation and maintenance of attractive and competitive websites.

4.3 Research Strategies

In order to compile a general profile of the industry with specific reference to the usage of information communication by tour operators the study was carried out in three stages. Firstly, a survey of all tour operators in Harare and Victoria Falls was undertaken using a self-administered questionnaire. The purpose of the survey was to gather generic data on the tour operators, for example, number of years in operation, type of products offered and the markets served levels of information communication technologies adoption, types of ICTs in use and tour operator perceptions on the importance of information communication technologies as part of their business strategy. The information gathered was used to ascertain how far the tour operators have progressed from the use of the traditional product distribution model. The information also gave useful insights into the tour operators’ views of the importance of adopting ICTs in their enterprises.

Secondly, in-depth interviews were held with key informants in the tourism industry in Harare and Victoria Falls. The purpose of the key informant interviews was to get informed views on the role that information communication plays in facilitating sustainability of tourism enterprises in general and tour operations in particular.

Finally, an analysis of websites of tour operators based in Harare and Victoria Falls was undertaken. The main purpose of websites analysis was to evaluate the usefulness of the websites as platforms for product distribution. The website analysis was also used to ascertain how far the tour operators were using the recommended bimodal distribution
model to sale their products. The analysis also helped to answer the study’s first research question which sought to establish how far the current product distribution model being used by the country’s tour operators incorporated information communication technologies. The outcomes of the questionnaires were triangulated with the content analysis of the websites. This helped to check on the credibility of the information that was given by tour operators through the questionnaire.

4.3.1 Study population

A study population is comprised of all the items that make up the phenomena under investigation for example car hire companies in a country or two stars hotels in a country (Sekaran and Bougie, 2010:262, Tshuma and Mafa, 2013). In the majority of cases it is not possible to cover all the possible respondents in the study due to financial, time and manpower constraints.

The population for this study consisted of 202 registered tour operators in the country. Before any company can operate in the country within the tourism industry it has to be registered by the Zimbabwe Tourist Authority. The Tourism Act Chapter 14:20 of 1996 require that tour operating companies annually renew their operating licences with the Zimbabwe Tourist Authority. The study therefore used the current register of tour operators from ZTA as the sampling framework from which the sample population was drawn.

The study is based on registered tour operators that are located in Harare and Victoria Falls. Harare was chosen because, being the capital city of the country, it has the highest concentration of tour operating companies in Zimbabwe (ZTA, 2014). It also attracts a large number of new entrants to the sector. Data obtained from tour operators in the city gave a fair representation of the characteristics of tour operating enterprises in other parts of the
country. Victoria Falls was chosen because it is the current hub of tourism activities in the
country. The level of use of information communication technologies by tour operators in
the resort town was a good pointer to the level of ICT usage by tour operators in the rest of
the country. Table 4.1 below shows the number and location of the ZTA registered tour
operators in the study areas.

Table 4.1: Composition of the study population

<table>
<thead>
<tr>
<th>Location</th>
<th>Independent tour operators</th>
<th>Agency tour operators</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harare</td>
<td>32</td>
<td>90</td>
<td>122</td>
</tr>
<tr>
<td>Victoria Falls</td>
<td>38</td>
<td>21</td>
<td>59</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>70</strong></td>
<td><strong>111</strong></td>
<td><strong>181</strong></td>
</tr>
</tbody>
</table>


Sixty seven percept of the tour operators in the study were located in Harare whilst thirty
three percept were located in Victoria Falls. The ZTA categorizes the tour operators into two
groups for purposes of licensing and tracking their activities. The first category is that of the
“independent” tour operators. These are tour operators that package holidays and have their
own assets like vehicles, boats and aircrafts for servicing their clients. The second category
is that of “agency” tour operators. These are tour operators who package holidays and use
other tour operators’ assets to service their clients.

The majority of the tour operators without their own assets are located in Harare. The
presence of a large number of tour operators without their own equipment is a result of a
number of factors. New entrepreneurs who try and venture into the sector establish these
businesses as a way of checking the viability of the sector before committing large sums of
money in capital expenditure. Similarly, enterprises that are diversifying their businesses
into the tourism sector often start operating without their own equipment to taste the market
before they fully invest in the sector.
The tour operators in both Harare and Victoria Falls are made up of small and medium sized companies, a majority of which are family operated businesses. The different enterprises focus on general leisure travellers, conferences, incentive tourism and adventure tourism. A large number of the registered companies are indigenously owned (ZTA 2012). This is a reflection of the policies that have been adopted by government since 2000 in trying to encourage local Zimbabweans to participate in the tourism industry. The situation is also a reflection of the fact that start-up capital for tour operating business is minimal.

The relative ease of entry into the subsector has resulted in a substantial number of companies registering as tour operators. They, however, are not able to sustainably operate because of their inability to generate adequate business. In order to ensure a level of response rate that facilitated generalization to all tour operators in the country, the study included all the tour operators in Harare and Victoria Falls when gathering data on the subsector as a whole.

4.4 Data gathering techniques

Data was collected using three techniques

- self-administered questionnaires,
- analysis of company websites, and
- in-depth interviews with key informants.

4.4.1 Questionnaire administration

General data on the characteristics of tour operators in Harare and Victoria Falls was gathered through a questionnaire distributed to all the enterprises in the two towns. The researcher physically distributed the questionnaires to the Harare respondents. The respondents were be given a week to complete the questionnaire after which they were collected from the enterprise’s premises. Questionnaires for the Victoria Falls respondents
were sent by courier services to the physical addresses of each company. In the covering letter to the questionnaire the respondents were advised that the completed questionnaire was to be physically collected by the researcher during his visit to the resort. The dates for the visit were indicated in the covering letter. The respondents were also phoned two days before the researcher’s arrival in the resort and reminded about the questionnaire. The questionnaires were self-administered by the senior managers of each tour operator.

The data gathered through the questionnaires assisted in answering the study’s first question which focused on establishing the business model being used by the tour operators as well as how far the model incorporated the use of information communication technology. Responses to the open ended questions in the questionnaire helped to provide answers to the second research question which sought to find out the constraints faced by tour operating companies in Zimbabwe in adopting information communication technologies in their business and to what extent these constraints affected their business performance and competitiveness.

The questionnaire was pilot tested in Harare. Pilot testing the instrument helped to clarify a number of issues, for example: assessing validity, reliability and suitability of the instrument as well as identify redundant questions (Cohen et al, 2006, Oppenheim, 1996) cited by Tshuma and Mafa (2013:133). A reliability analysis, using the Cronback’s alpha, was undertaken to determine the reliability of the research instrument used.

A total of 122 questionnaires were distributed to senior managers in Harare and 59 questionnaires to senior managers in Victoria. A total of 181 questionnaires were therefore distributed to the registered tour operators in Harare and Victoria Falls. The respondent in each enterprise was the operations manager. The operations managers in tour operations are responsible for the overall smooth functioning of the company. They also have the
responsibility of advising the Chief Executive Officer on the most appropriate technologies to adopt for the company. They were therefore the most appropriate respondents to complete the questionnaire as they were in a position to know the type of information communication technologies that the company was using as well as their overall impact on efficiency on company operations.

4.4.2 Analysis of company websites

In view of the relative small size of the population and the fact that some of the tour operators do not have websites the study analysed all the websites of the tour operators based in Harare and Victoria Falls. The main purpose for analysing the websites of the tour operators was to evaluate their usefulness as platforms for product distribution and marketing and their effectiveness as channels for receiving payments for services requested by customers.

A checklist of ten attributes was used to evaluate the websites of the enterprises.

The attributes included the following:

- website accessibility,
- website functionality,
- website usability,
- website navigability,
- website interactivity,
- quality of information provided,
- capability of e-commerce transacting,
- design and aesthetic appeal of the website,
- presence of value addition links, and
• capability to translate content to other languages.

The attributes were scored out of a total of ten points giving each website a possibility of getting a hundred marks if it was excellent in every attribute.

Website accessibility evaluated the easy with which the website could be accessed by clients using different search engines. In terms of website functionality the study assessed how easy and friendly it was to use the website including the download speed of the site. Further, an evaluation of the correctness of the items or features being described on the site was also made. Website usability looked at technical features on the site which enable ease of use by customers, for example a simple menu on the home page. With regard to website navigability the study evaluated the navigational mechanism on the site which facilitated its use by customers who were experienced users of websites as well as those that had limited technical skills of navigating websites.

The study further evaluated the interactive features of the sites. For example a check was made on whether or not clients were able to engage on live online discussion with the service provider. The evaluation also entailed assessing the quality of information offered on the site in-terms of descriptions of holiday packages, prices, company profile, marketing effectiveness and after sales customer support information. The websites were further evaluated on their capability to function as e-commerce platforms. Evaluation of the sites also covered their design and aesthetic appeal which included among other things, the website layout, multimedia characteristics and graphics. An assessment was also made on the number and quality of value addition links on the site. This entailed checking on the number of links to other services providers like hotels, airlines and banks. Finally the sites were evaluated on the number of languages available as well as the presence or absence of an application to translate the content on to other languages.
4.4.3 In-depth interviews with key informants

The researcher selected 24 key informants with whom to hold face to face interviews in both Harare and Victoria Falls. The key informants were: the president of the Zimbabwe Council for Tourism; the Managing Director of Africa Sun; the ZTA directors for Standards and Product Development, Marketing and Promotions, Conferences and Exhibitions and Planning, Research and Development: Ministry of Tourism and Hospitality Industry directors of International Tourism, Policy Research, Planning and Development and Domestic Tourism: the General Manager of South African Airways in Zimbabwe; the Marketing Manager of Air Zimbabwe: five hotel managers in Victoria Falls, seven hotel managers in Harare and a lecturer in tourism at the University of Zimbabwe.

The ZCT president has a broad overview of the level of information communication adoption and usage by tourism stakeholders including tour operators. He was therefore in a position to give an informed analysis of the challenges and opportunities that the tour operators have encountered in their endeavours to introduce ICTs in their businesses. The managing director of African Sun indicated the type of technological partnership they had established with tour operators. He spelt out a range of recommendations that the government needs to consider in order to incentivise tour operators to use information communication technologies in their operations.

The ZTA directors work with tour operators on a daily basis. They therefore have in-depth knowledge of the operations of the different enterprises including their level ICTs usage. Hence they gave a detailed critique of the issues affecting the sector with regard to information communication technologies usage. They highlighted the current government policies on ICT and indicated how tour operators have responded to these policies. The
directors in the Ministry of Tourism and Hospitality Industry supervise the implementation of policies and regulations that the government promulgates on the tourism industry. They were therefore aware of the strengths and weaknesses of the tour operators with regard to the use of information communication technologies in their businesses. Their inputs helped the researcher to come up with policy recommendations which encourage tour operators to adopt ICTs in their enterprises. Airlines receive a large share of their business from tour operators. The airline executives outlined their operational linkages with tour operators and indicated the challenges that tour operators encounter in utilizing their Central Reservation Systems (CRS) and their Global Distribution Systems (GDS). They highlighted the ways through which these challenges were being addressed. The solutions being adopted were a useful pointer to what the industry as a whole needs to adopt in order to assist operators increase their usage of ICTs in their businesses.

The hotel general managers in both Harare and Victoria Falls highlighted the distribution channels that tour operators use to supply them with customers. The analysis gave a useful indication on the level of information communication technologies usage by the country’s tour operators. Finally the University of Zimbabwe lecturer gave a comparative analysis of the global usage of information technologies for product distribution by tour operators with its usage by Zimbabwean tour operators. He further indicated the long term implications of limited ICT usage on the sustainability of the country’s tour operating enterprises.

The key informants were therefore in a position to generate data and information that assisted the study to fulfill its fifth objective which focused on drawing up recommendations to the government that will encourage the adoption of information communication technologies by tour operators. Further the key informants offered useful insights into the challenges that the subsector is facing and made meaningful suggestions on how the
enterprises can leverage information communication technologies to ensure long term sustainability.

4.5 Data analysis

4.5.1 Questionnaire data analysis

Data from the questionnaires completed by respondents in Harare and Victoria Falls was processed using the Statistical Package for the Social Sciences (SPSS) package. The study used descriptive analysis to highlight the outcomes of the findings. This entailed analysis of frequencies, means and standard deviations of the data. A range of graphs, charts and tables were used to highlight the findings of the study. Correlation analysis of different variables in the questionnaire was also undertaken. Spearman's rank test was employed in order to determine the significance of the correlations within the study variables. This enabled the study to determine the level of generalizations that could be made to the study population.

The observed correlations were explained in terms of their implications for the long term sustainability of the tour operating enterprises in the country.

4.5.2 Content analysis of the company websites

The websites of the tour operators were content analysed. The study used a descriptive approach to highlight the characteristics of the websites. Ten attributes were used to assess the quality and functionality of the websites. The quality and functionality of websites are key elements in attracting potential customers to a site.

4.5.3 Analysis of key informants interview interviews

Information gathered from the key informants was content analysed. The content analysis was aided by the use of the NVIVO software package. The discussions with the key informants covered a wide range of issues pertaining to the use of information
communication technologies by stakeholders in the tourism industry including tour operators. In broad terms the issues raised were grouped into the following themes:

- role and importance of the use of information communication technologies in the tourism industry
- quality and usefulness of tour operators’ websites;
- challenges faced by Zimbabwean tour operators in adopting ICTs;
- ICTs skilled manpower challenges;
- short life span of tour operating enterprises in the country;
- policy recommendations; and
- business models for tour operating enterprises.

The analysis highlighted the linkages between the issues raised by the key informants and the outcomes of the questionnaire data analysis. The themes captured from discussions with the key informants were used as a basis for drawing up recommendations to both the government and the tourism industry. The recommendations were aimed at creating an enabling environment for the tour operators to adopt information communication technologies as part of their business strategy.

4.6 Ethical issues

The main ethical issues to be adhered to in a study included the following: informed consent of both the key informants and the tour operators to whom the questionnaires were distributed, integrity and objectivity of the researcher, confidentiality and anonymity of respondents, voluntary nature of participation and the right to withdraw from the research. A covering letter was dispatched with the questionnaires. The letter outlined the purposes of
the study, identity of the researcher and assurance on the confidentiality of the information being sought.

4.7 Delimitation of the study

The study was carried out in Harare and Victoria Falls. Harare houses the head offices of a large number of the country’s tour operators. The majority of senior managers of these companies are located within Harare hence the researcher was able to get the views of key people who are involved with strategic issues that affect the individual enterprise. Victoria Falls is the hub of the country’s tourism industry. Tour operators based in the resort are at the frontline of the industry. Their views about the current state of the industry and their aspirations for the future gave the researcher deeper insights on policy and management strategies that need to be implemented for the long term viability of the subsector. Key informants from the public sector, the private sector and the academia made valuable contributions to the type of strategies that tour operators need to adopt to ensure long term viability in the current global competitive environment.

4.8 Conclusion

The chapter outlined the study population. It explained how data was gathered through questionnaires that were distributed to all tour operators based in Harare and Victoria Falls. It was pointed out that the ZTA register of tour operators was used as the study framework. The chapter further discussed how information was gathered from key informants in the academic, the private sector and the public sector in the tourism industry. The chapter also explained how data was collected through analysis of the websites of the tour operators based in Harare and Victoria Falls. Finally the chapter discussed and explained how the data
from the questionnaires, key informants and the tour operator websites was processed and analysed.

The next chapter will discuss the empirical evidence and findings from the field research. It will show the outcomes of tour operator survey, the key informant interviews and the content analysis of the websites of tour operators.
CHAPTER 5

FINDINGS

5.0 Introduction

This chapter presents the data from the fieldwork which were gathered through a survey, key informant interviews and observation of tour operators’ websites. The study’s proposition that “continued use of the traditional product distribution model by Zimbabwean tour operators is no longer appropriate” was tested using the empirical evidence from the fieldwork. Firstly, the chapter presents the findings of the survey, followed by a presentation of findings from the respondents and lastly from observations of tour operators’ websites.

The findings presented in the chapter focus on answering the following questions:

1. What is the nature of the current business model being used by Zimbabwean tour operators?
2. What types of ICTs are Zimbabwean tour operators using in their enterprises?
3. What are the constraints faced by tour operating companies in Zimbabwe in adopting information communication technologies in their businesses and to what extent does this affect their performance and competitiveness?
4. What factors need to be considered in order for Zimbabwean tour operators to adopt information communication technologies usage?

5.1 Survey findings

5.1.1 Reliability Analysis

In order determine the reliability of the questionnaire that was used for the collection of data, the Cronbach’s alpha for the 84 questionnaire items were analyzed and resulted in an alpha
value of 0.768. The Cronbach Alpha, according to Nunally (1978), is the de facto standard for the instrument reliability and internal consistency. Despite the variable thresholds for reliability, depending with the nature of the study, the generally tolerable minimum threshold is 0.70. As alpha statistic of 0.768 is greater than 0.70, it is therefore concluded that the instrument was internally consistent, and hence reliable.

5.1.2 Response Rate

Out of the 123 questionnaires that were distributed, 84 were successfully completed and returned. Table 5.1 shows the response rate of the questionnaires.

<table>
<thead>
<tr>
<th>Item</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered</td>
<td>123</td>
<td>100%</td>
</tr>
<tr>
<td>Returned</td>
<td>84</td>
<td>68.29%</td>
</tr>
<tr>
<td>Valid Cases</td>
<td>84</td>
<td>68.29%</td>
</tr>
</tbody>
</table>

The response rate of 68.29% was significantly high. According to Saunders et al, (2012: 269) response rates of 35-40% are adequate for academic studies to make generalizations on the population of the study. Therefore, the response rate of 68.29% was adequate to drive generalizations on the whole population.

<table>
<thead>
<tr>
<th>Location</th>
<th>Total number of tour operators</th>
<th>Administered questionnaires</th>
<th>Returned questionnaires</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harare</td>
<td>121</td>
<td>82</td>
<td>51</td>
<td>62%</td>
</tr>
<tr>
<td>Victoria Falls</td>
<td>59</td>
<td>41</td>
<td>33</td>
<td>80%</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>123</td>
<td>84</td>
<td>68.29</td>
</tr>
</tbody>
</table>
The largest number of respondents (60%) was based in Harare, as compared to those who were based in Victoria Falls (40%). This was in line with the general distribution of the sample population whereby Harare based tour operators made up 67% of the sample with Victoria Falls tour operators constituting the remaining 33%. The Victoria Falls sample had a comparatively higher response rate (80%) compared to that of Harare (62%). This was mainly because the majority of tour operators in Victoria Falls are enterprises that own and use their own equipment. Harare has a large number of ‘briefcase’ tour operators, a substantial number of whom did not complete the questionnaire. These tour operators depend on their websites to sell their holiday packages. The majority of these tour operators do not operate from physical locations.

5.1.3 Demographic Characteristics of the Tour Operators

This section presents an overview of the background information of the sampled tour operators. The demographic characteristics described, cover the following factors:

- tour operators ownership category,
- type of tour operator,
- number of years in operation,
- number of employees,
- number of touring vehicles owned, and
- other types of equipment used

The tour operators were segmented relative to their type of company ownership. This was important as it gave an indication of the type of investor that is involved in the tour operating business in the country. The results of the findings are presented in Table 5.3 below:
<table>
<thead>
<tr>
<th>Ownership category</th>
<th>% of total sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family owned</td>
<td>49%</td>
</tr>
<tr>
<td>Shareholder owned</td>
<td>35%</td>
</tr>
<tr>
<td>Partnership owned</td>
<td>16%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

The results show that almost half (49%) of the tour operator enterprises are family owned, 35% shareholder-owned and 16% owned by partners. This finding is a normal characteristic of the nature of tour operator enterprises in most developing countries (Wanjau et al, 2012).

The respondents were also segmented relative to the type of their operations, that is, whether they were inbound, outbound, or a mixture of both. The results presented in figure 5.3 below, show that 48.8% of the sampled-tour operators were inbound. This was followed by 46.3%, who were both inbound and outbound. The other categories were rather insignificant, with exclusive outbound operators being 1.2%, while other types constituted 3.7%.

![Figure 5.1: Types of tour operators](image)

Figure 5.1: Types of tour operators
The category ‘other’ was mainly made up of special interest-tour operators whose businesses focus on niche markets like weddings and domestic meetings and conferences.

The tour operators were requested to indicate the number of years they had been in business in the sector. This helped to ascertain the general sustainability of their operations. Figure 5.2 below, shows the percentage of the categories of the number of years tour operators have been in existence in the tourism sector in the country.

![Figure 5.1: Number of years in operation](image)

The largest number of the tour operators, (34.5%), had been in existence for 6-10 years. This is followed by relatively newly established enterprises of 5 years and below which make up 26.2% of the sample. On the one hand, 15.5% of the tour operators had been in existence for 11-15 years. On the other hand 11.9% of the tour operators had been in existence for 16-20 years. Further, another 18.9% had been in operation for 21 years and above. In other words, the cumulative frequency of the organizations which had been set up for 10 years or less was 60.7%, whereas those that had been set up for more than 10 years were 39.3%.
The dominance of companies with ten years and less in operation (60.7%) pointed to limited knowledge and experience of the tourism sector and hence, lack of competitiveness. It is also indicative of high business mortality in the subsector.

The respondents were requested to show the number of employees in their companies. The information was useful for giving insights into the employment characteristics of the tour operating companies in the country. Figure 5.3 below shows number of employees of different categories of the tour operating companies. The figure shows that 47.6% of the companies had five employees or less, 29.8% employed 6-10 workers and that 8.3% had more than 25 employees. Further, the graph shows that 3.6% of the companies had 16-20 and 21-25 employees respectively.

![Figure 5.1: Number of employees](image)

The overall outcome of the findings is that the majority of tour operators in the country, 77.4% (47.6%-five employees or less+29.8%-six to ten employees) employed a maximum of 10 employees whilst only 22.3% (7.1%-eleven to fifteen employees +3.6%-sixteen to twenty and twenty one employees +3.6%-twenty one to twenty five employees+8.3%-more than
twenty five employees) employed 11 people and above. This is in line with the ownership characteristics of these enterprises whereby the majority of them, 49%, are family owned businesses.

Respondents were further asked to indicate the number of vehicles they had on their fleet. It was important to ascertain the number of vehicles that the operators owned because the tour operations business is centred on the movement of clients. This involves activities like transfer of clients from airports to hotels, taking clients on game drive activities and transfer of clients from hotels to centres of water-based activities. The number of vehicles owned by an operator is therefore indicative of the overall size of the company’s business. Figure 5.4 below, shows the outcome of the findings.

![Figure 5.2: Number of touring vehicles owned by the tour operators](image.png)

The majority of the tour operators, (64.4%), owned less than 5 tour operating vehicles, 21.9% of the operators owned 6-10 vehicles, 2.7% owned between 11-15 vehicles and 11% owned 21 vehicles and above. In essence 86.3% (64.4%- owned less than five vehicles+21.9%-owned six to ten vehicles) of the tour operating companies owned 10 vehicles and below. It is however, significant that 11% of the companies owned 21 vehicles
and above. This indicated the presence of medium-sized enterprises within the sample which is a reflection of the 35%, shareholder ownership of the enterprises presented in Table 5.3.

The respondents were also asked to indicate the other types of equipment they used besides vehicles to serve the needs of their clients. This was important as it gave an indication of the range of products and services that the enterprises offered. The aggregate findings are presented in Table 5.4 below:

Table 5.4 Other touring equipment for services owned by tour operators in Victoria Falls

<table>
<thead>
<tr>
<th>Other equipment used</th>
<th>Operators using the equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cruise boats</td>
<td>32%</td>
</tr>
<tr>
<td>Helicopters</td>
<td>20%</td>
</tr>
<tr>
<td>White-water rafting boats</td>
<td>16%</td>
</tr>
<tr>
<td>Canoes</td>
<td>15%</td>
</tr>
<tr>
<td>Other</td>
<td>17%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Cruise boats are used to take clients on game viewing on the Zambezi river whilst helicopters are used for viewing the Victoria Falls from the air. White-water rafting boats take clients on rafting adventures on the Zambezi river below the Victoria Falls bridge. Finally, canoes are used for taking clients on a leisurely game viewing tours on the Zambezi river above the Victoria Falls.

The most common form of equipment used were cruise boats, (32. %), followed by helicopters, (20%). White-water rafting boats were used by 16% of the tour operators whilst 15% of them use canoes. The category “other” (17%) includes equipment like micro lights,
bicycles and quad bikes. Ownership of equipment, especially touring vehicles, is important for touring companies because it gives them flexibility on costing of their services as well as ability to guarantee their product offerings.

5.1.4. Tourism Products and Services offered

The respondents were asked to indicate the products and services that they offered based on a 3-point Likert scale, with:

- 1 representing never,
- 2 representing sometimes, and
- 3 representing always.

It was necessary to establish the products that the tour operators offered their customers. This helped the study to ascertain how far the tour operators were using information communication technologies to distribute the products and services to potential clients.

The rated results are presented in table 5.5 below:

<table>
<thead>
<tr>
<th>Products and services offered</th>
<th>Mean</th>
<th>Standard Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>River and Lake cruises</td>
<td>2.57</td>
<td>.631</td>
</tr>
<tr>
<td>Game viewing and sightseeing tours around Zimbabwe</td>
<td>2.54</td>
<td>.595</td>
</tr>
<tr>
<td>Adventure tours</td>
<td>2.41</td>
<td>.631</td>
</tr>
<tr>
<td>Cultural tours around Zimbabwe</td>
<td>2.40</td>
<td>.651</td>
</tr>
<tr>
<td>Canoeing safaris around Zimbabwe</td>
<td>2.27</td>
<td>.678</td>
</tr>
<tr>
<td>Walking safaris</td>
<td>2.25</td>
<td>.724</td>
</tr>
<tr>
<td>Weddings and honeymoon packages</td>
<td>2.15</td>
<td>.673</td>
</tr>
<tr>
<td>Conference and incentive packages</td>
<td>2.12</td>
<td>.640</td>
</tr>
</tbody>
</table>
School trip packages | 2.02 | .796

River and lake cruises were the dominant product offered with a mean of 2.57, followed by game viewing and sightseeing tours around Zimbabwe which had a mean of 2.54. The respondents offered all the above products as is shown by the lowest mean of 2.02 out of a 3 points on the Likert scale.

In order to get an in-depth understanding of the findings, Factor Analysis was done using the Principal Component Analysis (PCA) as the extraction method. Benchmarking against the minimum eigenvalue threshold of 1.0 analysis was done and the results are as shown in Table 5.6 below.

Table 5.6: Total Variance Explained - Tourism Products and Services

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>3.630</td>
<td>40.336</td>
<td>40.336</td>
</tr>
<tr>
<td>3</td>
<td>1.413</td>
<td>15.704</td>
<td>75.051</td>
</tr>
<tr>
<td>4</td>
<td>.634</td>
<td>7.050</td>
<td>82.101</td>
</tr>
<tr>
<td>5</td>
<td>.500</td>
<td>5.551</td>
<td>87.652</td>
</tr>
<tr>
<td>6</td>
<td>.448</td>
<td>4.976</td>
<td>92.628</td>
</tr>
<tr>
<td>7</td>
<td>.293</td>
<td>3.277</td>
<td>95.905</td>
</tr>
<tr>
<td>8</td>
<td>.213</td>
<td>2.362</td>
<td>98.267</td>
</tr>
<tr>
<td>9</td>
<td>.156</td>
<td>1.733</td>
<td>100.000</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Three components were extracted, and these were attributable to 75% of the variation in the established factors shown in Table 5.7 below. Component 1 (40.336% variance) comprised of 4 items, while Component 2 (19.011% variance) comprised of 2 items, with Component 3 (15.704% variance) comprising of 3 items.
Table 5.7: Rotated Component Matrix - Tourism Products and Services

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>River and lake cruises</td>
<td>.890</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural tours around Zimbabwe</td>
<td>.804</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adventure tours</td>
<td>.801</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Game viewing and sightseeing tours around Zimbabwe</td>
<td>.797</td>
<td>.884</td>
<td></td>
</tr>
<tr>
<td>Canoeing safaris on the Zambezi</td>
<td></td>
<td></td>
<td>.884</td>
</tr>
<tr>
<td>Walking safaris</td>
<td></td>
<td></td>
<td>.856</td>
</tr>
<tr>
<td>Conference and incentive packages</td>
<td></td>
<td></td>
<td>.830</td>
</tr>
<tr>
<td>Weddings and honeymoon packages</td>
<td></td>
<td></td>
<td>.746</td>
</tr>
<tr>
<td>School trip packages</td>
<td></td>
<td></td>
<td>.695</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Using the outcome of the factor analysis the products and services offered by the tour operators can be classified into three categories: primary, secondary and other. The primary products and services (component 1) offered by the tour operators were:

- river and lake cruises;
- adventure tours; and
- cultural tours around Zimbabwe.

The secondary products and services (component 2) offered were:

- canoeing safaris on the Zambezi; and
- walking safaris.

The third category of products and services (component 3) offered were “other” which comprised of:

- weddings and honeymoon packages;
- conference and incentive packages; and
- school trip packages.

The outcome of the component analysis shows that tour operators offer three main holiday products to potential clients as indicated in table 5.7. The products offered are a responds to market demand. The majority of tourists to Southern African countries travel to the region in order to view wildlife. Cultural tours offer the international tourists incremental value to
their holidays because they help them to experience other cultures. A number of the tourists also add adventure activities to the wildlife products. Hence the majority of the tour operators offer a combination of these core products to the potential travelers.

The table further shows that tour operators also offer soft adventure activities like walking safaris and cruising safaris on the Zambezi. These products are offered by tour operators who focus on niche market segments that demand tour packages with holiday activities like walking and canoeing safaris. Finally the table shows a number of special interest products like conference and incentive tours are also offered by the tour operators. Although these special interest products are globally very profitable the Zimbabwean tour operators do not offer them as their core products. This is mainly due to the fact that the country does not have adequate infrastructure to cater for the needs of this type of market segment.

5.1.5 Tourist markets

The respondents were asked to indicate the main source of their businesses utilizing three categories; domestic, regional and international markets. The study sought to establish the source markets of the tour operators and how the tour operators distributed their products to the different markets. The results are presented in Table 5.8 below:

<table>
<thead>
<tr>
<th>Table 5.8: Main source of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main source of business</td>
</tr>
<tr>
<td>Domestic market</td>
</tr>
<tr>
<td>Regional market</td>
</tr>
<tr>
<td>International</td>
</tr>
<tr>
<td>Indifferent</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
Table 5.8 shows that 30% of the tour operators received most of their business from domestic clients, 25% from regional markets, 24% from international markets and 21% were indifferent. The 21% of the respondents implied that there was no consistency in terms of their core source of business. They experienced changing composition of their market mix depending on the political and economic outlook in the country, in the region and internationally.

With regard to the international markets, the respondents were asked to rate the relative importance of each international source market on a 5 point Likert scale with:

- 1 representing unimportant;
- 2 representing low importance;
- 3 representing neutral;
- 4 representing important; and
- 5 representing very important.

International tourists mainly use information communication technologies to purchase their holiday packages. Therefore, the importance that the tour operators attached to the international markets gave an indication of the level of the challenge that they faced in selling their products to international tourists. This is in view of the tour operators reluctance to use ICTs for the distribution of their products.

The source markets rated were South Africa, Britain, Germany, Rest of Europe, USA, China, Japan, Rest of Asia, Australia and Canada. Table 5.9 below summarizes the ratings of the respondents.
Table 5.9: International markets relative importance

<table>
<thead>
<tr>
<th>Market</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>4.34</td>
<td>.971</td>
<td>-1.733</td>
</tr>
<tr>
<td>Britain</td>
<td>4.12</td>
<td>1.076</td>
<td>-1.410</td>
</tr>
<tr>
<td>USA</td>
<td>4.01</td>
<td>.993</td>
<td>-.688</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>3.97</td>
<td>1.019</td>
<td>-1.157</td>
</tr>
<tr>
<td>Germany</td>
<td>3.9</td>
<td>.939</td>
<td>-.522</td>
</tr>
<tr>
<td>Australia</td>
<td>3.58</td>
<td>1.140</td>
<td>-.542</td>
</tr>
<tr>
<td>Japan</td>
<td>3.41</td>
<td>3.58</td>
<td>1.003</td>
</tr>
<tr>
<td>China</td>
<td>3.3</td>
<td>1.003</td>
<td>-.105</td>
</tr>
<tr>
<td>Canada</td>
<td>3.23</td>
<td>1.385</td>
<td>-.222</td>
</tr>
<tr>
<td>Rest of Asia</td>
<td>3.03</td>
<td>1.026</td>
<td>.323</td>
</tr>
</tbody>
</table>

From Table 5.9 it is clear that most of the tour operators generated their business from South Africa. The source market had a relatively high mean rating of 4.34 out of 5 on the Likert scale. The importance of this source market was further qualified by the relatively low standard deviation of 0.971 which indicated limited dispersion of respondents’ rating of the source market. Britain, with a mean rating of 4.12 was identified as the second most important international source market with United States of America and the Rest of Europe as the third and fourth important international markets. The least rated source of business was, China with a mean rating of 3.31 followed by Canada, with mean rating of 3.23 and Rest of Asia with a mean rating of 3.03.

Table 5.9 further indicates that importance given to a number of source markets varied between the sampled tour operators. These markets included China with a skewness statistic of -0.105, Japan with a skewness statistic of 0.102, and Canada with skewness statistic of -0.220.

In order to establish the relative importance of the different source markets, factor analysis was again computed, using the PCA as the extraction method. Table 5.10 below shows the results of the factor analysis.
Table 5.10: Total Variance Explained - Tourism Markets

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>2</td>
<td>1.265</td>
<td>12.648</td>
<td>65.984</td>
</tr>
<tr>
<td>3</td>
<td>1.047</td>
<td>10.467</td>
<td>76.452</td>
</tr>
<tr>
<td>4</td>
<td>.831</td>
<td>8.308</td>
<td>84.759</td>
</tr>
<tr>
<td>5</td>
<td>.516</td>
<td>5.162</td>
<td>89.921</td>
</tr>
<tr>
<td>7</td>
<td>.227</td>
<td>2.266</td>
<td>96.025</td>
</tr>
<tr>
<td>8</td>
<td>.177</td>
<td>1.768</td>
<td>97.792</td>
</tr>
<tr>
<td>9</td>
<td>.128</td>
<td>1.283</td>
<td>99.076</td>
</tr>
<tr>
<td>10</td>
<td>.092</td>
<td>.924</td>
<td>100.000</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

From the above analysis, three components were extracted, which collectively accounted of 76.452% of the variation in the established factors shown in Table 5.11 below. Component 1 (53.336% of the variance) comprised of 5 source markets, component 2 (12.648% of the variance) comprised of 3 source markets and component 3 (10.467% of the variance) comprised of 2 source markets.

Table 5.11: Rotated Component Matrix - Tourism Markets

<table>
<thead>
<tr>
<th></th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Britain</td>
<td>.852</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>.844</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>.761</td>
<td></td>
<td>.837</td>
</tr>
<tr>
<td>Japan</td>
<td>.609</td>
<td></td>
<td>.781</td>
</tr>
<tr>
<td>South Africa</td>
<td>.537</td>
<td></td>
<td>.774</td>
</tr>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td>.883</td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td></td>
<td>.828</td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rest of Asia</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Using Table 5.11, the tour operators' markets can be classified into three categories; primary, secondary and other. The primary source markets (component 1) for the tour operators were:

- Britain;
- Rest of Europe;
- Germany;
- Japan; and
- South Africa.

The five source markets have historically been the areas from which the tourists to the country have originated. Tour operators in the country have therefore continued to target these source markets for their business.

The secondary source markets (component 2) were:
- Canada;
- USA; and
- Australia.

Both the USA and Australia have been significant source markets for the country in the past with the United States of America experiencing substantial growth in recent years, (ZTA; 2016). Tour operators have therefore endeavored to increase their market share of tourists from these countries.

The “other” source markets (component 3) were:
- China; and
- Rest of Asia.

The majority of the tour operators paid limited attention to China and the rest of Asia as source markets. The main reason for this limited interest in these source markets is tour operators’ lack of understanding of the products needs of these tourists. There has been limited market research in these source markets at national level hence the tour operators’ limited interests in the two source markets.
These perceptions of the significance of the different markets by tour operators have implications on how they partner with other stakeholders in the tourism industry in the marketing of the country as a tourist destination. They also have implications on their competitiveness in those different markets in view of their level of use of information communication technologies for the distribution of their products and services.

5.1.6 Operational importance of ICTs

Respondents were asked to rate the importance of information communication technologies in their business operations using two categories: very important and important. The outcomes of the ratings gave an indication of the respondents’ perceptions of the role that information communication played in business operations. The results from the frequency analysis are presented in Table 5.12 below:

<table>
<thead>
<tr>
<th>ICT operational rating</th>
<th>Frequency (out of 83 valid respondents)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td>74</td>
<td>89%</td>
</tr>
<tr>
<td>Important</td>
<td>9</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The majority (89%) of the respondents concurred that the use of ICTs by tour operators was very important, while barely 11% suggested that it was important. In essence all (100%) of the respondents confirmed the importance of the use of ICTs in their business operations.

5.1.7 Importance of the use of ICTs for business survival

The respondents were also asked to rate the extent to which they agreed that tour operators must adopt ICTs in order to survive in their business. The respondents were requested to use a 5 point Likert scale with the following categories: strongly agree, agree, neutral, disagree and strongly disagree. The results are presented in Table 5.13 below:
Table 5.13: Importance of the use of ICTs for business survival

<table>
<thead>
<tr>
<th>ICTs business survival rating</th>
<th>Frequency (out of 83 valid respondents)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>64</td>
<td>77%</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>17%</td>
</tr>
<tr>
<td>Neutral</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>83</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 5.13 shows that 77.0% of the respondents strongly agreed that ICTs were important for their survival, 17% agreed that ICTs were important for the survival of their enterprises and only 6% were neutral on their rating. Overall, 94% (77% - strongly agree + 17% - agree) of the respondents agreed that the use of ICTs was essential for the future survival of the businesses. This conceptual appreciation is similar to the tour operators’ general understanding of the importance of the operational use of ICT in business presented in Table 5.12 on page 13 above.

5.1.9 Types of ICTs being used by tour operators

The definition of ICTs used in this study is that of Buhalis and Soo (2009:5) which states that ICTs include “the entire range of electronic tools which facilitates the operational and strategic management of organizations by enabling them to manage their information, functions and processes as well as to communicate interactively with their stakeholders for achieving their missions and objectives”.

In order to ascertain the range of ICTs being used in the tour operating enterprises, the respondents were asked to list the ICTs that they were using in their organizations. They were further asked to rate their usage, on a 3-point Likert scale, with:

1. denoting never;
2. denoting sometimes; and
3. denoting always.
The listing and rating of the different information communication technologies helped to establish the level of ICT adoption by the tour operators as well as the relative importance they attached to the use of information communication technologies in their enterprises.

The summary statistics are presented in Table 5.14 below:

<table>
<thead>
<tr>
<th>ICT variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Friedman Rank Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>3.00</td>
<td>.000</td>
<td>1</td>
</tr>
<tr>
<td>Desktops</td>
<td>2.9</td>
<td>.286</td>
<td>2</td>
</tr>
<tr>
<td>Laptops</td>
<td>2.77</td>
<td>.423</td>
<td>3</td>
</tr>
<tr>
<td>Websites</td>
<td>2.75</td>
<td>.514</td>
<td>4</td>
</tr>
<tr>
<td>VOIP e.g. Skype</td>
<td>2.54</td>
<td>.571</td>
<td>5</td>
</tr>
<tr>
<td>Intranet</td>
<td>2.53</td>
<td>.649</td>
<td>6</td>
</tr>
<tr>
<td>Social media</td>
<td>2.53</td>
<td>.654</td>
<td>7</td>
</tr>
<tr>
<td>Integrated server</td>
<td>2.23</td>
<td>.915</td>
<td>8</td>
</tr>
<tr>
<td>Global distribution system</td>
<td>2.21</td>
<td>.998</td>
<td>9</td>
</tr>
</tbody>
</table>

Table 5.14 indicates that all the respondents used the internet always as is shown by a mean of rating of 3. The variable further showed a standard deviation of 0.00 which indicated that there was no dispersion of the rating on the variable by the respondents. Desktops were also used by the majority of respondents as is shown by a high mean rating of 2.9 which was accompanied by a standard deviation of 0.286. Similar outcomes were depicted on the use of laptops which had a mean statistic of 2.77 with a fairly low standard deviation of 0.423. The other important form of ICTs used by the tour operators was the website with mean rating 2.75 and a standard deviation of 0.514. Further, results from the websites observations showed that 77% of sampled tour operators had websites promoting their products and services.
Intranet, Social Media and VOIP had mean ratings that stood at 2.53, 2.53 and 2.54 respectively as shown in Table 5.14 above. The three forms of ICTs had fairly high standard deviations which stood at 0.649, 0.654 and 0.571 indicating dispersion of rating by the respondents. Integrated servers and global distribution systems (GDSs) had mean ratings of 2.23 and 2.21 respectively. The two forms of ICTs had the highest standard deviations which stood at 0.915 and 0.998 respectively. The high standard deviations again showed dispersion of ratings by the respondents. Given that internationally GDSs are now the standard platform for the distribution of tourist products and services, their low showing within the country’s tour operators gave an indication of how far the tour operators have not yet adopted ICTs as the main channel for the distribution of their products and services.

In order to establish the ranking of and the extent of implementation of the above mentioned ICTs, the non-parametric Friedman Test was computed. The test has the capability of ranking a given set of variables according to the aggregate scores allocated to the variable by respondents. Table 5.14 also summarizes the rankings of utilization of the different ICTs by the sampled tour operators. The internet superseded all other ICTs, with desktops as a close second, followed by websites and laptops. The least ranked technologies were integrated servers and global distribution systems.

The dominance of the use of the internet is a reflection of the high level of internet penetration that has occurred in the country in recent years and tour operators have also jumped onto the bandwagon of internet adoption (Tsoka and von Solms, 2013).

5.1.10 Drivers of ICT adoption by tour operators

Documentary research had revealed that some of the tour operators had adopted information communication technologies in their enterprises. It was therefore important to establish the
factors that encouraged tour operators to adopt ICTs in their operations. The results provided the study with pointers of what needs to be done in the country to increase adoption of ICT by the majority of the country’s tour operators. The respondents were therefore asked to indicate the order of importance of the factors that had encouraged their company to adopt ICTs. They were asked to use a 5-point Likert scale with:

1. representing unimportant;
2. representing low importance;
3. representing neutral;
4. representing important; and
5. representing very important.

Table 5.15 summarizes the outcome of the findings.

Table 5.15: Drivers of ICTs adoption by tour operators

<table>
<thead>
<tr>
<th>Drivers of ICT adoption</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer demand</td>
<td>4.76</td>
<td>.532</td>
</tr>
<tr>
<td>Need to be competitive</td>
<td>4.72</td>
<td>.611</td>
</tr>
<tr>
<td>Trading partners</td>
<td>4.59</td>
<td>.542</td>
</tr>
<tr>
<td>Management vision and support</td>
<td>4.20</td>
<td>.886</td>
</tr>
<tr>
<td>Easy to use technologies</td>
<td>4.14</td>
<td>.885</td>
</tr>
<tr>
<td>Cost of initial investment</td>
<td>4.12</td>
<td>.849</td>
</tr>
<tr>
<td>Availability of cost effective technology</td>
<td>4.08</td>
<td>.829</td>
</tr>
<tr>
<td>Easiness of integrating company systems</td>
<td>4.02</td>
<td>1.1</td>
</tr>
<tr>
<td>Availability of ICTs</td>
<td>4.0</td>
<td>.821</td>
</tr>
</tbody>
</table>

Table 5.16: Friedman Rank Analysis – Drivers for the Adoption of ICTs

<table>
<thead>
<tr>
<th>Drivers of ICT adoption</th>
<th>Mean Rank</th>
<th>Overall Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need to be competitive</td>
<td>6.45</td>
<td>1</td>
</tr>
<tr>
<td>Customer demand</td>
<td>6.43</td>
<td>2</td>
</tr>
<tr>
<td>Trading partners</td>
<td>5.93</td>
<td>3</td>
</tr>
<tr>
<td>Management vision and support</td>
<td>4.91</td>
<td>4</td>
</tr>
<tr>
<td>Cost of initial investment</td>
<td>4.81</td>
<td>5</td>
</tr>
<tr>
<td>Easy to use technologies</td>
<td>4.73</td>
<td>6</td>
</tr>
<tr>
<td>Easiness of integrating company systems</td>
<td>4.59</td>
<td>7</td>
</tr>
<tr>
<td>Availability of cost effective technology</td>
<td>4.46</td>
<td>8</td>
</tr>
<tr>
<td>Availability of ICTs</td>
<td>2.71</td>
<td>9</td>
</tr>
</tbody>
</table>

The need to be competitive came out clearly as the primary driver for ICT adoption, while customer demand came second. In the third place was trading partners. Management vision
was positioned in the fourth place. Cost of initial investment and easy to use technologies were ranked fifth and sixth respectively. The least drivers of ICTs adoption were perceived as availability of cost effective technologies and availability of ICTs which were ranked eighth and ninth respectively. In order to ascertain the factors behind the adoption of ICTs, factor analysis was computed, with the principal component analysis being the extraction method. The eigenvalue statistics results from the analysis are presented in Table 5.17 below.

**Table 5.17: Total Variance Explained – Drivers of ICT Adoption**

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>2.836</td>
<td>40.514</td>
<td>40.514</td>
</tr>
<tr>
<td>3</td>
<td>1.127</td>
<td>16.095</td>
<td>75.966</td>
</tr>
<tr>
<td>5</td>
<td>.511</td>
<td>7.298</td>
<td>92.678</td>
</tr>
<tr>
<td>7</td>
<td>.186</td>
<td>2.654</td>
<td>100.000</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

From the analysis above, three components were extracted, benchmarking with a minimum eigenvalue of 1.0, and the total contribution of the factors to the total variation was 75.966%.

The corresponding rotated component matrix is presented in Table 5.18 below.

**Table 5.18: Rotated Component Matrix – Drivers of ICT Adoption**

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy to use technologies</td>
<td>.902</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of cost effective technology</td>
<td>.867</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of initial investment</td>
<td>.750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of ICTs</td>
<td>.700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Need to be competitive</td>
<td></td>
<td>.848</td>
<td></td>
</tr>
<tr>
<td>Easy of integrating company systems</td>
<td></td>
<td>.705</td>
<td></td>
</tr>
<tr>
<td>Management vision and support</td>
<td></td>
<td>.740</td>
<td></td>
</tr>
<tr>
<td>Trading partners</td>
<td></td>
<td></td>
<td>.862</td>
</tr>
<tr>
<td>Customer demand</td>
<td></td>
<td></td>
<td>.861</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
From the above analysis component 1 contributing to a variance of 40.514% was made up of easy to use technologies, availability of cost effective technologies, cost of initial capital and availability of ICTs. Component 2 which contributed to a variance of 19.356% was made up of the need to be competitive, easy of integrating company systems, and management vision and support. Finally, component 3 contributing to a variance of 16.095% was made up of trading partners and customer demand.

5.1.11 Deterrents to ICT adoption by tour operators
In order to understand the low level of information communication technologies adoption by the tour operators, it was important to establish the factors that inhibited the tour operators to adopt ICT in their business operations. This was to enable the researcher to develop appropriate recommendations that would encourage tour operators to increase the use of information communication technologies in their enterprises. The respondents were therefore asked to rate the importance of several variables on a 5-point Likert scale with:

1. representing unimportant;
2. representing low importance;
3. representing neutral;
4. representing important; and
5. representing very important.

The variables rated by tour operators comprised of the following:

- cost of initial capital;
- lack of trained and knowledgeable staff;
- difficult in integrating new systems;
- lack of appropriate technologies;
- lack of confidence in ICT benefits;
- security concerns;
- lack of finance;
• limited ICT infrastructure; and
• lack of government incentives.

Table 5.19 below summarizes the outcome of the rating of the above factors by the respondents.

**Table 5.19: Deterrents to ICT adoption by tour operators**

<table>
<thead>
<tr>
<th>Deterrents to ICTs adoption</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of initial capital</td>
<td>3.95</td>
<td>1.28</td>
</tr>
<tr>
<td>Lack of finance</td>
<td>3.66</td>
<td>1.26</td>
</tr>
<tr>
<td>Lack of government investment incentives</td>
<td>3.36</td>
<td>1.29</td>
</tr>
<tr>
<td>Limited ICT infrastructure</td>
<td>3.15</td>
<td>1.16</td>
</tr>
<tr>
<td>Availability of ICTs</td>
<td>3.01</td>
<td>1.28</td>
</tr>
<tr>
<td>Difficulty in integrating new systems</td>
<td>2.87</td>
<td>1.34</td>
</tr>
<tr>
<td>Lack of trained and knowledgeable staff</td>
<td>2.86</td>
<td>1.23</td>
</tr>
<tr>
<td>Lack of appropriate technologies</td>
<td>2.69</td>
<td>1.39</td>
</tr>
<tr>
<td>Security concern</td>
<td>2.69</td>
<td>1.38</td>
</tr>
<tr>
<td>Lack of confidence in ICT benefits</td>
<td>2.48</td>
<td>1.29</td>
</tr>
</tbody>
</table>

Table 5.19 shows that the most significant deterrent to ICT adoption by the tour operators was cost of initial investment, with a mean rating of 3.95. The second significant deterrent was lack of finance which had a mean rating of 3.66. The respondents identified lack of government incentives as the third significant challenge to adopting of ICTs in their operations. The variable attained a mean of 3.36 as is shown in table 5.19. The fourth challenge to adoption of ICTs was perceived as limited ICTs infrastructure which received a mean rating of 3.15. The respondents identified availability of ICTs as the fifth deterrent to adoption of ICTs in their operations. The top five deterrents to ICTs adoption had standard deviations that stood at, 1.28, 1.26, 1.29, 1.16 and 1.28 respectively. Being based on a 5-point Likert scale, the average mean score is 2.5 and therefore any score above 2.5 meant that the variable was important. As the results in Table 5.19 show all the means were above 2.5, it meant that all the variables shown were important deterrents to adoption of information communication technologies by the respondents in their business operations.
To further explore the possible associations between the variables, factor analysis was performed again, using the Principal Component Analysis as the extraction method and the Varimax rotation. The eigenvalue statistics results from the analysis are presented in Table 5.20 below.

### Table 5.20: Total Variance Explained – Deterrents of ICT Adoption

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>5.751</td>
<td>57.515</td>
<td>57.515</td>
</tr>
<tr>
<td>2</td>
<td>1.345</td>
<td>13.446</td>
<td>70.961</td>
</tr>
<tr>
<td>3</td>
<td>.882</td>
<td>8.820</td>
<td>79.781</td>
</tr>
<tr>
<td>4</td>
<td>.568</td>
<td>5.684</td>
<td>85.466</td>
</tr>
<tr>
<td>5</td>
<td>.416</td>
<td>4.159</td>
<td>89.624</td>
</tr>
<tr>
<td>6</td>
<td>.333</td>
<td>3.328</td>
<td>92.952</td>
</tr>
<tr>
<td>7</td>
<td>.251</td>
<td>2.506</td>
<td>95.458</td>
</tr>
<tr>
<td>8</td>
<td>.194</td>
<td>1.936</td>
<td>97.394</td>
</tr>
<tr>
<td>9</td>
<td>.140</td>
<td>1.405</td>
<td>98.798</td>
</tr>
<tr>
<td>10</td>
<td>.126</td>
<td>1.202</td>
<td>100.000</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Two components were extracted, with the minimum eigenvalue threshold of 1.0, and these had a total variance contribution of 70.961%. The corresponding rotated component matrix is presented in Table 5.21 below.

### Table 5.21: Rotated Component Matrix – Deterrents to ICT Adoption

<table>
<thead>
<tr>
<th></th>
<th>Component</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficult in integrating new systems</td>
<td></td>
<td>.869</td>
<td></td>
</tr>
<tr>
<td>Lack of confidence on ICT benefits</td>
<td></td>
<td>.862</td>
<td></td>
</tr>
<tr>
<td>Lack of appropriate technologies</td>
<td></td>
<td>.842</td>
<td></td>
</tr>
<tr>
<td>Lack of trained and knowledgeable staff</td>
<td></td>
<td>.816</td>
<td></td>
</tr>
<tr>
<td>Security concerns</td>
<td></td>
<td>.680</td>
<td>.870</td>
</tr>
<tr>
<td>Lack of finance</td>
<td></td>
<td></td>
<td>.849</td>
</tr>
<tr>
<td>Cost of initial investment</td>
<td></td>
<td></td>
<td>.792</td>
</tr>
<tr>
<td>Limited ICT infrastructure</td>
<td></td>
<td></td>
<td>.689</td>
</tr>
<tr>
<td>Lack of government incentives</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis

From the above analysis, component 1 contributing a variance of 57.515% comprised:

- lack of trained and knowledgeable staff;
• difficulties in integrating new systems;
• lack of appropriate technologies;
• lack of confidence on ICT benefits; and
• security concerns.

The second component contributing a variance of 13.446% comprised:

• cost of initial investment;
• availability of ICTs;
• lack of finance;
• limited ICT Infrastructure; and
• lack of government incentives.

Table 5.21 shows that five variables were the most important in inhibiting tour operators from adopting information communication technologies in their enterprises. The variables ranged from difficulties in integrating new systems to security concerns. The deterrents of ICTs adoptions reflected the general poor knowledge of tour operators about ICTs. It also reflected the overall macroeconomic environment in which the companies operated. The table also shows that a number of other factors contributed to the poor adoption of information communication technologies by the tour operators for example lack of finance. These factors were brought about by the poor macroeconomic environment that prevailed in the country.

5.1.12 Internal usage of ICTs

In order to establish the extent of internal usage of ICTs, respondents were asked to rate the importance of a number of variables on a 5-point Likert scale with:

1 representing very poor;
2 representing poor;
3 representing neutral;
4 representing good; and
5 representing very good.

The variables rated were:

- generation of internal reports;
- management database;
- market intelligence database;
- inter-departmental communication; and
- security and risk management.

The outcomes of the ratings are summarized in Table 5.22 below.

<table>
<thead>
<tr>
<th>Internal usage ICTs</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Friedman Rank Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation of internal reports</td>
<td>4.20</td>
<td>1.021</td>
<td>1</td>
</tr>
<tr>
<td>Interdepartmental communication</td>
<td>4.12</td>
<td>.961</td>
<td>2</td>
</tr>
<tr>
<td>Market intelligence database</td>
<td>4.06</td>
<td>.973</td>
<td>3</td>
</tr>
<tr>
<td>Management database</td>
<td>3.98</td>
<td>.937</td>
<td>4</td>
</tr>
<tr>
<td>Security risk management</td>
<td>3.45</td>
<td>1.113</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 5.22 shows that the primary internal usage of ICTs by tour operators was the generation of internal reports, inter-departmental communication and market intelligence database. The three variables had mean ratings of 4.20, 4.12 and 4.06 respectively.

In order to determine the statistically significant rankings of the internal usage of ICTs, the non-parametric Friedman Test was computed and the rank summaries are presented in Table 5.22 above. The table shows that the primary internal use of ICT by the tour operators was generation of internal reports and facilitation of interdepartmental communication. The least internal usage of ICTs was facilitation of security risk management which was ranked fifth out of the five variables.
5.1.13 External use of ICTs

In order to find out the extent of external usage of information communication technologies by the tour operators, the respondents were asked to rate a number of variables on a 5-point Likert scale with:

1. representing very poor;
2. representing poor;
3. representing neutral;
4. representing good; and
5. representing very good.

The variables considered were the following:

- providing information to customers;
- distribution of company tour packages and other products;
- advertising company products;
- networking with suppliers and partners;
- e-commerce activities; and
- receiving payments from clients.

The summarized statistics from the analysis are presented in the Table 5.23 below.

<table>
<thead>
<tr>
<th>ICTs external usage</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Friedman Rank Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of company tour packages</td>
<td>4.54</td>
<td>.828</td>
<td>1</td>
</tr>
<tr>
<td>Providing information to customers</td>
<td>4.43</td>
<td>.854</td>
<td>2</td>
</tr>
<tr>
<td>Networking with suppliers and partners</td>
<td>4.25</td>
<td>.758</td>
<td>3</td>
</tr>
<tr>
<td>Advertising company products</td>
<td>4.20</td>
<td>.991</td>
<td>4</td>
</tr>
<tr>
<td>Receiving payments from clients</td>
<td>3.58</td>
<td>1.319</td>
<td>5</td>
</tr>
<tr>
<td>E-commerce activities</td>
<td>3.43</td>
<td>1.133</td>
<td>6</td>
</tr>
</tbody>
</table>
Table 5.23 shows that the primary external usage of ICT was for the distribution of company tour packages. The variable had a mean rating of 4.54 and a standard deviation of 0.828. The second rated external usage was for providing information to customers, with a mean of 4.43, and a standard deviation of 0.854. The third rated external usage was for networking with suppliers and partners with a mean rating of 4.25 and a standard deviation of 0.758. The fourth placed external usage was advertising company products with a mean rating of 4.20 and a standard deviation of 0.991. The least rated external uses of ICT were for receiving payments from clients and e-commerce activities which had mean ratings of 3.58 and 3.43 respectively. These two uses were further characterized by very high standard deviations of 1.133 and 1.319 respectively.

The Friedman Test was again computed to determine the statistical significance of the rankings of the external usage of ICTs. The corresponding rank summaries are presented in Table 5.23 above. The table shows that the primary external use of ICTs by the tour operators was for the distribution of company tour packages and providing information to customers whose overall rankings were 1 and 2 respectively. On the other hand, the least external uses of ICTs by tour operators were receiving payments from clients and e-commerce activities whose overall rankings were 5 and 6 respectively.

5.1.14 Perceived and expected benefits of using ICTs

In an endeavour to gauge the overall appreciation of tour operators of using information communication technologies as a key tool for their future business operations, it was decided to analyze their perceived and expected benefits of the use of ICT.

In order to establish the perceived benefits of using ICTs in business operations, the respondents were asked whether a large proportion of their sales were generated through the
internet and their respective websites. The summary of the findings are presented in the figure 5.5 below.

Figure 5.5: Generation of sales using ICTs

The results showed that 32.5% of the respondents were neutral on whether the majority of their sales were being generated through the internet, 16.9% strongly disagreed, and 19.3% disagreed. Further, the results showed that 13.3% of the respondents agreed and 18.1% of them strongly agreed that they generated the majority of their sales through the internet and their websites. Those who agreed had a cumulative total of 31.4%, (13.3%, +18.1%), while those who disagreed had a cumulative total of 36% (16.9%, +19.3%). In principle, those who disagreed were more than those who agreed.

In an endeavour to establish the possibility of adoption of ICTs in future in their enterprises the respondents were asked whether the internet was going to be their main product distribution channel in the future. They were asked to rate the variables using a 5 point Likert scale with;

1. representing strongly disagree;

2. representing disagree;

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3. representing neutral;
4. representing agree; and
5. representing strongly agree.

Figure 5.6 below shows the expected future use of the internet for product distribution by the respondents.

Figure 5.6: Expected future use of the internet for product distribution

Figure 5.6 shows that 45.8% of the respondents agreed that the internet was going to be their main future product distribution channel followed by 30.1% who strongly agreed that they were going to use the internet as their main product distribution channel in future. Further, 16.9% of the respondents were neutral, while merely 3.6% strongly disagreed and disagreed respectively. Cumulatively, 7.2% of the respondents disagreed whilst 75.9% of the respondents agreed to the potency of the internet as their future distribution channel.

5.2 Key Informant interview findings

In order to get deeper insights on the nature and characteristics of the business operations of the country’s tour operators, face- to- face interviews were held with key respondents.
5.2.1 Demographic characteristics

This section presents the demographic characteristic of the key respondents. A total of twenty four respondents were interviewed with nineteen being based in Harare and five being based in Victoria Falls. The demographic characteristics of the key respondents covered the following:

- gender composition;
- highest education attained;
- number of years worked in the tourism industry, and
- current employment position.

Figure 5.7 below shows the gender composition of the respondents.

![Gender Composition](image)

**Figure 5.7: Gender composition of respondents.**

The respondents were dominated by males (78%) with females constituting 22%. The decision to allow males to dominate the sample was guided by the fact that internationally, the tourism industry is dominated by males at management levels (Vargas and Aguilar, 2004). This global outlook is also reflected in the Zimbabwean tourism industry (Madzara, 2011).
Educational qualifications of the respondents ranged from post diploma in tourism to PhD level. Whilst the tourism industry is dominated by low level educated employees (UNWTO; 2009), the higher management position is usually manned by highly educated personnel. The high educational attainment of the respondents helped to ensure that the discussion on the issue of adoption and use of ICTs by Zimbabwean tour operators was viewed from a broad global perspective. Figure 5.8 below shows the number of years that the respondents have worked in the tourism industry.

Figure 5.8: Period spent in the tourism industry

Figure 5.8 shows that 42% had spent 16-20 years whilst the majority of the respondents (58%) had worked in the tourism industry for 21 years and above. None of the respondents had spent less than fifteen years in the tourism industry. This demographic characteristic also indicated that the key respondents were individuals who were well informed about the nature and characteristics of the Zimbabwean tourism industry. The experience these respondents had acquired over the years put them in a position whereby they were able to offer sound advice on policy guidelines that the government needed to put in place to facilitate the adoption and use of ICTs by tour operators in their business enterprises.
The employment position of the respondents in their organization is shown in figure 5.9

![Distribution of respondents by their employment positions](image)

**Figure 5.9: Distribution of respondents by their employment positions**

About 59% of the respondents were managers, 29% Directors, 8% CEOs and 4% was made up the category “other” which was an academic. The positions held by the respondents coupled with the number of years spent in the tourism industry enabled them to offer informed views on the different issues pertaining to the role of ICTs as a tool for business operations.

### 5.2.2 Outcomes of face to face interviews

The questions that were posed to the key respondents covered two broad areas which related to the objectives of the study: adoption of information communication technologies by tour operators and the future sustainability of tour operating enterprises in Zimbabwe. In order to properly capture the views of the respondents, they were allocated codes that were linked to their employment position in their organizations. The codes adopted were as follows: R1 (Manager), R2 (Manager), R3 (Manager), R4 (Manager), R5 (Manager), R6 (Manager), R7 (Manager), R8 (Manager), R9 (Manager), R10 (Manager), R11 (Manager), R12 (Manager), R13 (Manager), R14 (Manager), R15 (Director), R16 (Director), R17 (Director), R18
An analysis of the transcripts from the interviews brought out a number of themes (Creswell, 2009, and Paton, 2002). The themes covered the following areas:

- adoption and use of ICTs by tourism stakeholders;
- adoption and use of ICTs by tour operators;
- quality of websites of tourism companies in the country;
- use of the internet by tourism enterprises;
- use of the internet by tour operators;
- main use of tour operators websites;
- ability to attract personnel with ICT skills and knowledge;
- evolution of ICT adoption and use by the tourism sector in Zimbabwe;
- factors contributing to tour operators’ business failure;
- strategies for tour operators’ long term sustainability; and
- advice on government policy issues.

The comments and suggestions from the respondents were analyzed using the Nvivo software package. This was aimed at improving the content analysis of the study’s outcomes. Table 5.24 below shows the questions that respondents were asked and an overall summary of the key responses/themes from them.
<table>
<thead>
<tr>
<th>Question</th>
<th>Key Themes/responses</th>
</tr>
</thead>
</table>
| B1 In your view, are tourism stakeholders using ICTs in their business operations? | • Limited Extent  
• No  
• Yes |
| B2. From your experience how do you rate the general quality of the websites of tourism companies in the country? | • Conditional  
• Poor |
| B3. To what extent are tourism companies in the country using the internet to sell their products? | • Conditional  
• Great Extent  
• Less Extent |
| B4. What do you see as the main use of a tour operator’s website? | • Booking  
• Communication  
• Marketing  
• Online payments  
• Advertising |
| B5. From your experience do you think the tourism industry has been able to attract people with skills and knowledge of ICTs? | • Conditional  
• No |
| C1. What changes have you witnessed in the use of ICTs in the industry since independence? | • Low rate of growth  
• Many Changes |
| C2 In your view why have the tour operating companies like United Touring Company, Abercrombie and Kent, and Wild Ways have failed to stay in business for a long time? | • Environmental  
• Lack of Appreciation of Technology  
• Poor strategies |
| C3. What tour operators should do to ensure their long term sustainability? | • Adopting clear vision  
• Adoption of ICT  
• Appropriate Pricing  
• Change business model  
• Cooperative marketing  
• Innovative products  
• Knowledge  
• Offering service consistency  
• Partner International Tour Operators  
• Tour package consolidation |
| C4. What needs to be done to encourage more tour operators to sell their products using the internet? | • Cooperative Marketing  
• Education  
• ICT Security |
<table>
<thead>
<tr>
<th>Question</th>
<th>Key Themes/responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>C5. How can the government encourage tour operators to increase the use of ICTs in their enterprises?</td>
<td>• Partnerships</td>
</tr>
<tr>
<td></td>
<td>• E-Commerce Policies</td>
</tr>
<tr>
<td></td>
<td>• Education and Training</td>
</tr>
<tr>
<td></td>
<td>• ICT infrastructural Development</td>
</tr>
<tr>
<td></td>
<td>• Incentives</td>
</tr>
</tbody>
</table>

The perceptions of the respondents on the use of ICTs in tourism are summarized below.

![Word Cloud](image)

**Figure 5.10: Summary on perceived use of ICTs by tourism stakeholders**

The respondents indicated that overall the tourism industry in Zimbabwe lagged behind the world in its use of ICTs. They further indicated that only the airlines and hotels had significantly adopted the use of information communication technologies in their business operations. Figure 5.10 also shows that the respondents were of the view that Zimbabwean tourism stakeholders were some ten years or more behind South Africa in their adoption of information communication technologies in their operations.
The variations in respondents’ answers are further amplified by figure 5.11 below.

![Text Search Query - Results Preview](image)

**Figure 5.11: Variations in respondents’ perception on ICTs usage by tourism stakeholders**

There was a general consensus across the respondents that the tourism industry was using ICTs in its business operations. Examples were given of travel agents whose operations were integrated into airline reservation systems as well as hotels which had incorporated a range of ICTs in their actives. It was further pointed out that hotels in the country had adopted international reservation systems, point of sales systems, international best practice accounting systems and were able to receive payment electronically through the Eco cash facility from the domestic market and through international payments cards like Master Card from the international clients. Most respondents pointed out that the recent explosion of WIFI technologies had been a major booster for information communication technologies utilization in the tourism industry whereby a large number of facilities, especially hotels, were offering the facility to their clients on a complimentary basis.

The respondents were of the view that improvement in the adoption and use of information communication technologies by the tourism industry was hampered by capitalisation issues as the country had experienced scarcity of appropriately priced sources of funding for the past two decades. These issues were aptly summarized by respondent R3 who said:

“The tourism industry is some ten years behind South Africa in the use of ICTs in its operations. At present most restaurants and hotels in South Africa, waiters...
use ICTs which are linked to the kitchen when taking orders, whereas we are still using manual systems whereby the waiter has to physically deliver the order to the kitchen.”

This view was shared by respondent R22 who noted the current situation in the country as follows:

“Investment in the ICT backbone in the country has been slow and inconsistent. This has created a situation whereby the country is trying to play catch-up to the rest of the world. For example 4G technology has only recently been introduced in the country whereas in other parts of the world this has been the norm for over a decade now.”

In view of the fact that the focus of the study was on tour operating enterprises, the respondents were therefore asked to give their views and comments on the adoption and use of ICTs by tour operators in the country. Figure 5.12 summarises respondents’ perceptions on the adoption of information communication technologies by tour operators in Zimbabwe.

![Figure 5.12 Summary of respondents’ perceptions on the adoption of ICTs by tour operators](image-url)
Figure 5.12 shows that tour operators lagged behind the rest of the tourism sector in the adoption and use of information communication technologies. It further shows that managers in these companies had no foresight on the use of ICTs and that they resisted change in the introduction of ICTs in their business enterprises. Figure 5.12 also indicates that some of the tour operators were still using manual systems in their business operations. It further indicates that a large number of tour operators use websites to promote their products and services and that some of the websites had e-commerce functionality, but that the websites were mainly of poor quality. Finally the graph shows that the respondents were of the view that the tour operators lacked capital to improve their websites. Respondent R4 highlighted that the main challenge has been lack of management appreciation of the importance of ICTs in their business operations. It was pointed out that:

“Most managers in the tour operating sector are still focussed on old ways of doing business and are therefore not taking ICT seriously. The consequence is that the business suffers. In actual fact one can say that the adoption of ICT by the majority of tour operators has been ‘forced’ on them by the business environment they are operating in. For example, recently I visited a long established travel agent whose manager still prefers to use the old airfare calculating manual although her office is fully computerized. There is still lack of trust in the use of ICT. Members of staff still phone the airline to reconfirm their bookings that have already been confirmed online. This is a problem that has to be addressed properly across the whole tour operating sector.”

A similar observation was made by respondent R1 who articulated the issue as follows:

“Our tour operators have a fixation with the traditional product distribution system. If they do not fully embrace ICTs and the internet, they will die.”

The respondents also identified lack of international exposure as a factor contributing to lack of appreciation of the importance of the adoption of ICTs by tour operators in their
businesses. It was highlighted that a large number of the entrepreneurs were new to the industry. It was further noted that a majority of them were still grappling with understanding the basic fundamentals of the tourism industry in general and tour operations in particular.

Respondent R24 raised this point in the following manner:

“A large number of current tour operators found themselves in this business by accident. They thought that if you had a 12 seater or a 15 seater Toyota coach you could overnight get loads of tourists to take around the country. They had no idea how the product distribution system worked. Hence the issue of adopting ICTs in their business operations was the last thing they were concerned about. Some of them have moved away from the sector and have turned to ferrying passengers as urban commuter operators.”

Despite the above challenges, the respondents were able to point out some successes that tour operators had achieved in adoption of ICTs in their business operations. For example, it was pointed out that a number of tour operators had installed radio communication and vehicle tracking system in their vehicles. This, it was argued, had gone a long way in improving fleet management and service delivery.

At present most tourists first visit the website of a service provider before they make the final decision to purchase or not to purchase a product or service. Respondents were therefore asked to comment on the quality of website of tourism sector enterprises. Figure 5.13 shows a summary of the views of the respondents on the question.
The respondents held varying views with regard to the quality of websites of tourism companies. On the one hand some respondents were of the view that the larger enterprises especially hotels had good and highly accessible websites, on the other hand some respondents believed that the overall quality of the websites of the tourism sector in the country was poor. It was further pointed out that a lot needed to be done to bring the websites to parity with the country’s regional competitors like South Africa, Botswana and Namibia. These divergent views were captured in the comments made by respondents R16 and R3. Respondent R16 said:

“The websites are generally good although they vary with the size of the organization. The only thing that is missing is an effective e-commerce platform.”

Respondent R3 had this to say:

“These websites are nothing but just poorly designed brochures. They short-change the quality of some of the products they purport to showcase especially hotels and some of the country’s attractions. As I have already said we are some
ten years behind countries like South Africa in both quality and sophistication of our use of ICTs. Most of these websites are outdated, and difficult to access and to navigate. One of the major problems is that senior managers have limited vision on the strategic importance of ICT and therefore do not advocate for appropriate levels of investment in these technologies.”

The respondents were probed to comment more specifically on the quality of the websites of tour operators. The overall view was that the tour operators’ websites were generally poor and that they were not useful platforms for selling the tourism products and services. The respondents pointed out that tour operators’ websites were characterised by poor design and limited updates, with some having been last updated two years back. The websites were also seen as difficult to navigate, were overcrowded and were filled with poor pictures. The respondents further claimed that there was no tour operator in the country who had a dedicated staff for website management. This view was aptly summarized by respondent R22 who said:

“The only time most of these tour operators interface with a knowledgeable website expert is when the website is being developed. When the website is up and running, no thought is put in having the experts continually update and improve it. It’s looked upon as unnecessary expenditure.”

The majority of the respondents pointed out the opportunity that the tour operators were missing by not giving virtual tours on their websites. It was indicated that virtual site seeing tours on the websites were a major form of advertising as it gave the potential travellers what they were likely to experience if they were to purchase the holiday on offer. The inability to realize the potential of the activity has on generating sales, is related to the broader problem of management not realizing the strategic importance of adopting ICTs in their businesses which all the respondents highlighted in the discussions.
Given that the internet is now a major tool for e-commerce in different sectors of the economy worldwide, respondents were given the opportunity to comment on how far Zimbabwean tourism companies were using the internet to sell their products and services. Figure 5.14 below summarizes the views of the respondents.

Figure 5.14: Respondents’ views on tourism companies use of the internet to sell their products

Figure 5.14 shows that the majority of the respondents were divided in their perception of tourism companies’ use of ICT. One group of the respondents indicated that certain tourism enterprises were using the internet to a limited extent to sell their products, whilst another group felt that the enterprises hardly used the internet to sell their products. However, a small group of the respondents were of the view that the tourism companies were using the internet to a greater extent to sell their products and services.
Comments from the respondents on the issue were mixed ranging from outright condemnation to sympathetic views which attempted to explain why the tourism enterprises were in the position they found themselves. One re-occurring comment from the respondents was that the tour operators had lost the consolidation of holiday packages to South African tour operators and were therefore operating as distributors of tour packages that have been developed by South African or other regional tour operators. The issue was explained by respondent R11 in the following manner:

“Zimbabwe tour operators have lost the plot. They are no different from travel agents. They are mere middlemen without offering suppliers any value addition through the use of their ICTs systems. The majority of them are not serious about what they are doing.”

The same respondent further explained that the majority of the operators do not offer principals like hotels and airlines any partnership programmes nor are they committed to set departures on the tours they offer. It was claimed that clients were often told at the last minute that the tour had been cancelled due to lack of the minimum number of clients that would make the tour viable. Similar sentiments were expressed by respondent R1 who said:

“Zimbabwean tour operators have to be more than middleman to the overseas tour operators. They have to offer more value for money, for example effective linkages with product providers and dynamic packaging opportunities for their customers.”

The observation was collaborated by respondent R9 who highlighted the issues as follows:

“Zimbabwe lost its hub position to South Africa in the early 2000 as international airlines stooped direct flights to the country and relocated to South Africa. The direct result of this was the loss of control of product consolidation by local tour operators to South African operators. The other outcome of situation is that Zimbabwe has now become an appendix destination to South
Africa. I strongly believe that the authorities need to do something about this because the long term sustainability of the sector is being negatively affected.”

The respondents further pointed out that very few tour operators in the country were using international virtual platforms like “agoda and expedia” to sell their products. They further claimed that ICT driven sales were not part of the overall strategy for the majority of tour operators in the country. This observation is in line with the findings of the survey that was discussed above where it was shown that 68.7% of the tour operators sampled, indicated that they did not generate the majority of their sales through the internet.

The respondents offered several explanations as to why the country’s tour operators were not fully utilizing the internet to sell their products. The reasons given by the respondents included the following:

- inability to access adequate capital for purchasing the necessary hardware and software;
- lack of culture of booking through the internet by the domestic market;
- unclear and unfriendly foreign currency regulation of the country;
- the pervasive government suspicion on operators with regard to externalization of funds;
- challenges of global money transfer system whereby money has to be routed through New York or London first before it finds its way to Zimbabwe; and
- risk and fear of e-commerce fraud.

It was indicated that in places like Victoria Falls, international clients end up buying activities like bungee jumping from Zambian operators who offer them the use of plastic money. Zimbabwean tour operators were therefore losing market share to Zambian tour
operators in areas like Kariba and Victoria Falls because of their technical inability to accept plastic money.

The respondents noted that whilst the use of the internet for selling holiday products and services was still limited, there were currently no regulations which protected consumers from unscrupulous operators. The respondents were concerned that the image of the country could be damaged by the action of a few bad apples in the industry. There was therefore a general consensus that the government needed to put in place rules that would ensure that tourists were not robbed off their resources by internet savvy tricksters.

In order to ascertain the type of activities that the tour operators were conducting on their websites, the respondents were asked to identify what they believed were the main use of the tour operators’ websites. A list of activities was identified by each respondent. Figure 5.15 below shows the perceived use of the tour operators’ websites.

![Word Cloud](image)

**Figure 5.15: Summary of respondents views on use of tour operators’ websites**

The key use of the websites of the tour operators were seen as covering the following areas:

- advertising products and services;
distribution of information;
promotional activities;
displaying draft itineraries;
integrating products and other services;
booking for tailor made holidays;
selling of holiday packages;
showcasing company equipment, eg vehicles and boats
newsletter distribution; and
online payment for services.

The general view of the respondents was that the websites are mainly used for information distribution and that very limited transactional activities take place on these platforms. This view was clearly captured by comments from respondent R3 who said:

“I believe only 10% of the tour operators in the country use their websites for online payments for their services and products. This is limited to the big operators."

The observations of the respondents are also borne-out by the results of the website evaluation which are presented below.

The respondents further pointed out that a limited number of the websites offer real time responses to clients. They however indicated that activities on most of the tour operators’ websites were poorly managed because of limited understanding of the use of ICTs. Given that the application of information communication technologies in business operations requires personnel with appropriate skills and knowledge, respondents were asked to comment on how far the tourism industry had managed to attract these experts. The
respondents expressed different views on the question. The views of the respondents are summarized in figures 5.16 and 5.17 below.

Figure 5.16: Tourism sector’s ability to attract ICT skilled personnel

Figure 5.17 Summary of respondents view on challenges faced in attracting ICT skilled staff

Figure 5.17 shows a number of factors that help to explain the inability of the tourism industry to attract ICTs skilled personnel. These include among others the following:

- managers perceptions that ICTs were not part of their core business;
- managers fear of potential fraud from ICTs skilled employees;
- low pay in the sector which was not attractive to ICTs skilled personnel; and
frustration encountered by ICTs skilled personnel due to lack of clear career paths in the tourism industry.

There were broadly three issues that were highlighted regarding attraction of ICT skilled personnel to the tourism sector including to tour operating enterprises.

One group of respondents (R2, R4, R6, R13, R18, R20 and R22) felt that ICT skilled personnel were seen by management in the tourism industry as non-core to the business operations. They were therefore relegated to the periphery of the companies’ activities. It was further indicated that most tour operators preferred to use contractual personnel as they did not see the value of employing full time ICT skilled personnel.

The second group of respondents (R1, R3, R7, R9, R11, R12 and R19) were of the view that tour operators were not willing to pay the premium for employing these experts as their perception was that they did not add optimum value to their enterprises. The group further noted that those companies that employed these experts were unable to provide them with adequate resources to carry out their duties. The experts got frustrated and hence did not stay for a long time in these organizations.

The third group of respondents (R5, R8, R15, R16, 21R23 and R24) explained that a number of senior managers running tour operating enterprises felt that ICT experts did not have a passion for the industry and therefore the value they brought to the business was not related to the type of remunerations they demanded. The group also indicated that most tour operating managers did not fully trust ICT experts fearing the risk of their systems being manipulated and funds being siphoned off the business without them knowing. This last view is aptly summarized by respondent R24 who said:

“Tour operating managers have had a lot about ICT fraud in the country and overseas. Given their limited understanding of ICTs, the last person these
managers want to put in the frontline of their business is an ICT expert. They have therefore confined the engagement of these experts to the very minimum needs of their companies.”

The observations of the respondents on the employment of ICT skilled personnel are closely linked to the findings of the survey presented above. Lack of ICT trained and knowledgeable staff was not seen as a significant factor in deterring tour operating companies to adopt ICTs in their operations.

It was necessary to get the respondents’ views on the evolution of ICTs adoption and use in the tourism industry since independence in 1980. These views were to assist the researcher in putting the evolution of ICT adoption by tour operators into its proper context. The views of the respondents are summarized in figure 5.18

Figure 5.18 Summary of respondents’ views on evolution of ICT adoption by the tourism industry since 1980.
With regard to the tourism industry as a whole, the respondents were agreed that there had been a gradual adoption and use of ICTs by business enterprises since 1980. Figure 5.18 shows a number points raised by respondents with regard to the evolution of information technologies within the tourism industry since 1980. These included the following:

- that the tourism stakeholders were able to migrate from old technologies to new ones;
- that lack of capital and shortage of foreign currency slowed the pace of ICTs adoption within the industry, and
- that the rate of information communication technologies was further inhibited by the macroeconomic challenges that the country experienced from 2000 onwards.

It was noted that the adoption was in line with the diffusion theory as expounded by Rogers (2003). This was clearly captured by the comments of respondent R2 who said:

“The industry has experienced noticeable migration from telex system of the 1980s to customising hotel systems with regard to communication with clients and has migrated from MS DOS to Microsoft Windows as operating systems across the board.”

It was indicated that the adoption of ICTs helped the industry as a whole to migrate from paper based-offices to paperless offices. It was argued that the majority of the large companies especially hotels, were dependent on computer-based databases than manual records for their day-to-day business operations.

The respondents further indicated that the tourism industry was able to move in tandem with the rest of the world in its rate of ICT adoption from 1980 to 1999. It was explained that the industry experienced stagnation from 2000 onwards due to macroeconomic and political challenges. The following comments from respondent R5 captured the general view of the majority of the interviewees:
“From 1980 to 1999, the tourism industry moved at a fair pace in ICT adoption but from 2000 onwards there was stagnation. We were left behind the world. The industry was confronted with challenges of high fees for software licences and unavailability of foreign exchange.”

The respondents felt that tour operators had been sluggish with regard to adoption of ICTs in their operations since independence in 1980. It was argued that the majority of the senior managers running tour operating companies during the early years of independence, had limited academic backgrounds and hence their world view was narrow. Some of the respondents pointed out that this historical management composition of the tour operating sector helps to explain the current limited adoption and use of ICTs by a large number of the tour operating companies in the country. The problem was outlined by respondent R4 as follows:

“Most senior managers of tour operating companies in the country are still in the 1990s mode. They are afraid of new things including ICTs and this tends to frustrate middle managers. Some tour operators are still using manual cards for their client databanks. It’s unbelievable but that is the reality out there.”

Whilst the respondents agreed that tourism industry had succeeded in adopting ICTs in its business operations despite the recent economic and political problems that the country had experienced, they were of the view that the adoption and use of social media was still in its infancy. They argued that this was an area that senior managers have to give urgent attention as potential clients globally are dependent on social media for their information needs on holiday products and services.

The tour operating sector has been characterised by a high rate of business failure since 1980. Former large and medium-sized companies like United Touring Company, Green Route, Rainbow Tours and Travel and Wild Ways, have disappeared from the tourism
sector. Respondents were therefore asked to share their views on reasons why the sector had experienced a high mortality rate of companies. Insights from the respondents indicated that the high rate of business failure in the tour operating sector was a result of a wide range of factors. The challenges emanated from within the companies themselves as well as from outside the organizations. The challenges are summarized in figure 5.19

![Figure 5.19: Summary of factors that contributed to closure of tour operating companies](image)

Figure 5.19 shows the range of factors that contributed to the closure of tour operating companies. These include among others the following:

- negative political developments in the country;
- poor management vision;
- difficult economic environment in the country;
- management inability to appreciate new international market demands;
- foreign currency challenges; and
- owners reluctance to reinvest in the business.
Figure 5.20 highlights the key challenges that led to the high mortality of tour operating companies in the country.

![Diagram: Nodes clustered by word similarity]

**Figure 5.20: Perceived key challenges to the survival of tour operating enterprises**

The respondents argued that a number of the factors that led to the closure of tour operating companies in the country were related to the poor quality of managers who were given the responsibility to manage the businesses. They noted that the managers had poor visions, lacked strategic thinking in positioning their companies in the new global environment and employed poor management systems. It was further claimed that the managers were unable to adjust to ICTs, lacked an understanding of the characteristics of the changing global tourist market and the new market trends. These challenges were aptly summed up by respondent R2 who said:

> “These managers had a fixation with the traditional markets which they were used to which over time, were no longer interested in Zimbabwe. They were also stuck in the old ways of doing business hence the new tourism markets ignored them.”

A number of the respondents argued that the majority of the tour operating companies that folded up were unable to change their pricing model over the years. It was claimed that these companies focussed on high margins without realizing that globally, the tourism industry
was focussing on high volume and thin margins in response to clients’ sensitivity on value for money. Hence the major overseas tour operators were reluctant to promote these companies’ holiday packages as they were regarded as expensive by their own clients. Hand in hand with the issue of pricing model, the respondents also indicated that a number of the tour operators were unable to act as effective destination management companies, that is, they were unable to offer comprehensive information about the country as a whole. They were therefore of limited value to the main suppliers in the industry like hotels and airlines from whom they sourced components of their holiday packages. The issue was highlighted by respondent R5 who said:

“The tour operators did not create value for stakeholders in the industry and therefore became irrelevant in the tourism value chain.”

A number of the respondents claimed that the inability of the tour operators to offer value to stakeholders in the industry was still a major characteristic of the sector. This was pointed out by respondent R1 who narrated her recent experience as follows:

“I was disappointed at the Indaba travel show that I attended recently in Durban, South Africa. The tour operator who was sitting next to my table kept referring his potential clients to websites of suppliers in the country and keeping ensuring them that he was able to “hook” them up with these suppliers. He offered no value addition to the customer and it dawned to me that the clients could easily do those things he was promising them without his assistance.”

One of the most re-occurring points raised by the respondents was the inability of the country’s tour operators to compete with South African tour operators globally. It was pointed out that international tour operators had gradually partnered more and more with South African tour operators to package Zimbabwe and hence local tour operators had become redundant as partners for the international tour operators. This, it was argued,
created a situation whereby Zimbabwe to the present moment, is being promoted more through South African tour operators than through local tour operators.

A number of the respondents (R3, R4, R10, R17 and R22) explained that the international marginalization of the country’s tour operators was exacerbated by the migration of international airlines from Harare to Johannesburg in South African. They further indicated that international tour operators found it easier and convenient to work with South African tour operators who were able to directly deal with the airlines that were bringing clients to Southern Africa. They argued that the new business environment reduced Zimbabwean tour operators to middlemen and those that were not aggressive in their operations, closed down.

Some of the respondents (R1, R3 and R7) indicated that the political instability that the country experienced after the land reform programme in 2000, was seen as major contributor to the demise of a large number of tour operating companies in the country. They pointed out that most senior tour operating managers lacked appropriate strategies for dealing with the challenging business environment and this resulted in a number of companies closing down. They further indicated that some companies decided to close down their Zimbabwean operations and open up new companies in neighbouring countries like Zambia, Namibia and Botswana. The respondents claimed that companies that adopted this strategy were able to retain their international clients as they were able to offer them Zimbabwean holiday packages as well as new holiday packages of the countries in which they were now based.

Respondents R2 and R5 argued that change of ownership and management often led to the demise of companies. They noted that some of the new owners did not have a full understanding of how the tourism industry operated and were therefore not able to retain the strategic networks that had been established by the previous owners. They further claimed
that the decline in business was sometimes a result of unethical business practices that were being employed by the new owners as the statement from respondent R2 below illustrates.

“A number of the new owners were attracted to these companies because of their potential to earn foreign currency. The money generated was siphoned off into the owners’ overseas accounts with no reinvestment in the local company. Gradually the local company became an empty shell which eventually collapsed.”

The overall conclusion of the respondents was that unsustainability of tour operating companies in the country resulted from a multiplicity of factors which emanated from within the companies as well as from the external environment.

In order to develop viable strategies that will facilitate the long term sustainability of the country’s tour operators, the study sought the views of the respondents on the issue. The breadth of experience of the respondents in the tourism industry and their knowledge of the sector resulted in a wide range of ideas on what tour operators need to do to ensure their future sustainability. Figure 5.21 shows the key ideas expressed by the respondents.

![Nodes clustered by word similarity](image)

**Figure 5.21:** Summary of strategies that tour operators need to adopt in order to remain sustainable.
Figure 5.21 shows that the tour operators needed to adopt a number of strategies in order to remain in business in the future. These include among others the following:

- adoption of a clear vision of the use of ICTs in business operations;
- engaging in cooperative marketing with other stakeholders in the tourism industry;
- changing the current business models;
- developing partnerships with international tour operators; and
- engaging in tour packaging consolidation.

The ideas offered by the respondents fell broadly into two categories. On the one hand, the respondents highlighted what the tour operators needed to do for enterprises to remain viable in the future. On the other hand, the respondents pointed out the key business environment issues that needed to be improved in the country which would assist the future sustainability of tour operating enterprises.

Respondents R4, R5, R6 and R7 explained that the tourism industry was constantly changing in a variety of ways including customer needs and customer buying habits. They pointed out that the country’s tour operators needed to constantly undertake market research in order to be abreast with these international market trends. There was a general consensus that tour operators should have to make a paradigm shift in the way they conducted their business and prioritized research in their activities. This overall view was captured by respondent R23’s comments who said:

“Today’s business is driven by knowledge. Our tour operators need to offer holiday packages that the market is looking for and they need to be fully informed of what is happening in the tourism industry internationally. They cannot simply ignore market research and hope to have a future in this industry.”
Respondent R13 noted that the majority of the holiday packages being offered by tour operators were very mundane and do not inspire potential clients the majority of whom were well travelled and were highly educated. He argued that the country’s tour operators needed to be creative in their product offerings so that they could compete effectively internationally. He emphasised the need for tour operators to develop professional creativity and go beyond being just middlemen and that they are expected to add value to both suppliers and customer.

Finally, he expressed concern that a large number of tour operators in the country did not make efforts to closely work together with the rest of the tourism industry in promoting the country. He expressed this concern as follows:

“As hotelier I get disappointed in dealing with our tour operators. All they demand is better STO rates. I would like to see them putting on the table partnership programmes where we can work together and promote the destination as a whole. Their vision about the tourism business is very narrow and hence, it is not surprising a large number of them are not able to last for a long time in the business.”

One of the key observations that the respondents made about the country’s tour operators was their apparent inability to change their business approaches in line with changing market conditions. An example that was given by respondent R4 was the issue of price. He claimed that the tour packages being offered by the tour operators were expensive for both the domestic and the international market. The problem was highlighted by respondent R2 who said:

“As some of our tour operators have not mentally moved away from the hyperinflation period. They are still trying to make 200-300% profits on their products. This is no longer possible in a dollarized economy.”
The issue of the competitiveness of the holiday packages being offered by tour operators raised a number of interesting issues which the country has to address properly in the future. Whilst the respondents agreed that tour operators needed to change their business model, it was also agreed that there were several cost drivers in the country which were making Zimbabwean holidays expensive. The cost drivers included water charges, electricity charges, transport charges and government taxes. These costs were included in the prices of the different product components that the tour operator buys from principals like hotels and hence they find their way into the total cost of the holiday packages offered by tour operators. The respondents were therefore of the view that the challenge needed to be addressed by all stakeholders in the industry including the government.

Respondents R6 and R7 pointed out that the dominance of new entrance in the tour operating business had created an environment where professionalism was being compromised. They noted that a number of the new entrants had limited understanding of the business they were investing in and hence ended up trying to employ unacceptable business practices to attract clients. The problem was summed up by respondent R6 who pointed out that a number of individuals investing in tour operations were not understanding the nature of the business they were in because they were driven by the “I want to be a tour operator too syndrome.” The result of this problem can be seen by a number of commuter omnibuses that are now daily ferrying local commuters between the city and their residential places with TOURS AND TRAVEL written on their sides. The owners of these businesses are individuals who had initially registered as tour operators and had to switch to ferrying local commuters as the touring business proved unviable.

The respondents offered a number of insights on how the country’s tour operators needed to deal with ICTs in their operations. Firstly, the respondents agreed that the majority of the
tour operators needed to go beyond just having a functional website with their products. The websites had to be of international standards as clients from every part of the world had the potential to access them. Secondly, the respondents indicated that the operators needed to be committed to invest in ICTs so as to access the global market. Thirdly, the respondents noted that the majority of the country’s tour operators were not linked to international virtual tourist product distribution system like airbnb, agoda, expedia and trip adviser. They argued that these platforms were trusted by the international travelling public and hence the company’s presence on them helped to improve brand credibility in the minds of the customers. Fourthly the respondents explained that at present the tour operators were not aggressively marketing themselves on the internet. Finally, the respondents concurred that the customers’ use of ICTs for sourcing products was going to intensify in the future and therefore reiterated the need for tour operators to fully embrace ICTs in their operations. The comment of R2 below encapsulated the conclusion of the respondents with regard to the importance of ICTs in the business operations of tour operators in the country.

“If tour operators do not fully embrace ICTs, they will be of no relevance in the future.”

The respondents highlighted that globally tour operators’ role was that of promoting the destination as whole in collaboration with other stakeholders in the industry. It was pointed out that the major international tour operators generally determined the global flow of tourists to different destinations as a result of their promotional efforts. The respondents expressed concern that local tour operators hardly cooperated with other tourism stakeholders in destination image building and branding. The general view of the respondents was that the tour operators’ inability to fulfil this function in the country, has led other industry players not to take them seriously as business partners. It was further indicated that some stakeholders in the country now preferred to collaborate with South African or
overseas tour operators because they were able to offer viable business partnership programmes.

During the discussions with the respondents, one of the key challenges highlighted was the negative macroeconomic environment in the country. All the respondents were agreed that it was essential for government to improve the macroeconomic environment in order to facilitate business growth. The respondents were generally of the view that if the government created an environment that would bring back international airlines to Harare that would go a long way in helping the tour operators to properly consolidate holiday packages again. This, it was claimed, would help them fight competition from South Africa and hence contribute to their long term sustainability.

The overall view expressed by the respondents (R1-R24) on the adoption and use of ICTs by tour operators was that most tour operators had adopted some form of ICTs in their business operations. This view was collaborated by the findings of the survey whereby the majority of the tour operators indicated that they had a website for promoting their activities. What was essential however was to get the views of the respondents on how tour operators could be guided to effectively use the internet as a major platform for selling their products. The general consensus from the respondents was that the tour operators needed to be educated so as to appreciate the comparative advantage of using the internet as an e-commerce platform. Some of the advantages identified by the respondents included reduction in human resource costs, increase in market share, market visibility and improvement of brand identity. Respondents pointed out that tour operators needed to be guided by a vision that included ICTs as part of their business strategy in line with the transformation that was taking place in the market. It was further pointed out that some of the entrepreneurs held the mistaken belief that one could easily make money in tour operations without investing properly in the
business. The respondents again agreed that this was an area that called for education of the
tour operators. The issue was well captured by respondent R1 who said:

“A majority of our colleagues running tour operating companies are new to the
business. It is essential for them to understand how the sector works. This will
help them to make informed decisions on the role that ICTs play in their
business.”

Respondent R4 concurred with respondent R1 by saying:

“Most people in the tourism industry found themselves there by accident. It’s
essential for them to have a theoretical understanding of the sector in order to
help them to implement effective business management strategies in their
operations.”

The respondents explained that the country’s tour operators were still heavily dependent on
the use of brochures for selling their holiday packages. They viewed this as an anachronistic
approach to selling of holidays as internationally tour operators were now using videos and
Utube technology for promotion of their products. The new approach is in line with current
buying habits of the tourists. The respondents again agreed that it was critical to educate the
tour operators on these new trends of product distribution. Whilst there was agreement on
the need to educate tour operators on the essence to adopt and use ICTs in their business
operations, there was however no consensus on who should carry out this task. One group of
respondents felt that this was a function which the government through the ZTA should
carry out. Another group felt that that was the responsibility of the Zimbabwe Council for
Tourism. A third group felt that it was the responsibility of the individual tour operator to
make sure that they were up to date with what was happening in their sector. This issue will
be discussed further in the next chapter as long term sustainability of the tour operating
business is dependent on the knowledge that the managers have about the sector.
It was noted above that most of the country’s tour operators hardly collaborated with other stakeholders in the tourism industry. The respondents argued that the local tour operators needed to partner with international tour operators in packaging and distributing their holiday packages. It was further argued that the collaboration would help the local tour operators to leapfrog the technological gap which they are currently facing.

A key issue that most of the respondents reiterated was the need for government to ensure that internet transactions were properly protected. They indicated that that was an issue that was of concern to the whole tourism industry. The risk of internet fraud was seen as a key deterrent for the use of internet for transacting business in the country. This view of the respondents however, contradicted the findings of the survey where the tour operators sampled, indicated that security concern was not a significant variable in deterring them in adopting ICTs in their operations. Further, triangulation on the issue was undertaken below when discussing the outcomes of the tour operator websites evaluation.

Government plays a pivotal role in the operation of any business in the country. It influences the business environment through policies and regulations. It was therefore important to get insights from the respondents on the role that the government was playing in incentivising tour operators in adopting ICTs in their operations and any gaps that the government was neglecting or was not aware of within the sector. The points raised by the respondents covered macro policy issues which impacted the whole tourism industry in terms of its adoption and use of ICTs. The respondents also raised micro operational issues which had a direct effect on the adoption of ICTs by tour operators. Figure 5.22 summarizes the respondents’ views on the issue whilst figure 5.23 highlights the key issues that the government has to attend to in order to facilitate the adoption of ICTs by the tour operators in the country.
Figure 5.22: Summary of respondents views on the strategies that the government needs to adopt to facilitate ICT adoption by tour operators

Figure 5.23: Key strategies that the government needs to implement in order to facilitate ICT adoption by tour operators

Figure 5.23 shows that the most important strategy that the government needs to craft was related to education and training of tour operators with regards to ICTs. This was followed by the need to draw up strategies and policies on e-commerce for the tourism sector. The
figure further shows that the government needs to come up with incentives that would encourage the tour operators to adopt information communication technologies in their enterprises. Finally, the figure shows that the government needs to focus on the development of ICTs infrastructure in the country which would create a conducive environment for the tour operators to adopt ICTs in their business operations.

The majority of the respondents (R2, R4, R5, R6, R8, R9, R10, R11, R13, R14, R16, R18, R21, R23 and R24) were of the consensus that the government was not doing enough to create an enabling environment in which the tourism industry as whole, could easily adopt ICTs in its operations. Challenges pointed out by the respondents included lack of policy consistency in terms of duty and other government taxes on ICT hardware, absence of mainstreaming of tourism within the national ICT policy and lack of government guidelines on pricing regimes of internet providers in the country. They were also of the view that if government were to intervene effectively in the development of ICT infrastructure in the country, that would go a long way in bringing down the overall cost of ICTs used by the private sector, including the tourism industry.

The respondents (R1, R2, R4, R8, and R11) complained that the government through the responsible ministry had done very little to facilitate dialogue between the tourism industry and the country’s banking sector including the Reserve Bank of Zimbabwe (RBZ), to discuss a range of issues pertaining to transfer of money on internet platforms as well as the use of plastic money by potential clients. They claimed that the apparent lack of government interest on the issue, discouraged tour operators to fully embrace adoption and use of ICTs in their operations. However this claim is contradicted by the findings of the survey where the sampled tour operators indicated that lack of government incentives were not a significant deterrent to adapting of ICT in their business operations. The views of the sampled tour
operators do not however absolve the government from carrying out the responsibilities suggested by the respondents as this will create an improved business environment for the tour operators.

During discussions with the respondents the issues of lack of education about the tourism industry in general and the usefulness of adopting ICTs by tour operators in particular, was constantly raised. The majority of the respondents (R1, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12, R13, R22, and R23) blamed the government for not rolling out education programmes on the value of utilizing ICTs in the tourism industry. The views were summed up by respondent R3 who said:

“On the short term, the Ministry of Tourism and Hospitality Industry needed to implement an ICT catch up programme for tour operators using international best practice, maybe copying what China has done. On the long term, the ministry must roll out an ICT appreciation programme for the whole tourism industry.”

A number of the respondents (R2, R5, R12, R14, and R22 and R23) argued that there was a knowledge gap within the line ministry about the role and importance of adoption and use of ICTs in the tourism industry. They further claimed that that knowledge gap accounted for the lack of leadership on advocacy for the adoption of ICTs in the operations of tourism enterprises. Some of the issues raised by the respondents were in line with the findings of the tour operators’ survey whilst some of the points were in full contradiction with the outcomes of the survey. What was however important was that the insights from the respondents provided the researcher with a clearer understanding of the complexity of the variables that have affected tour operators’ adoption and use of ICTs in their business operations.

5.3 Findings of the websites observations
With a view to gaining more insights into how effective the tour operators were using ICTs to sell their products and services, websites of 76 of the samples tour operators were randomly chosen and were evaluated for 10 functionality variables. The functionality ratings were done on a scale from 0 to 10 with 0 being very poor and 10 being excellent. Table 5.25 shows the scale used to rate the functional variables of the websites of the tour operators.

**Table 5.25: Scale used to evaluate website variables**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>very poor</td>
</tr>
<tr>
<td>1</td>
<td>Poor</td>
</tr>
<tr>
<td>2</td>
<td>Rudimentary</td>
</tr>
<tr>
<td>3</td>
<td>Basic</td>
</tr>
<tr>
<td>4</td>
<td>below average</td>
</tr>
<tr>
<td>5</td>
<td>Fair</td>
</tr>
<tr>
<td>6</td>
<td>Average</td>
</tr>
<tr>
<td>7</td>
<td>Good</td>
</tr>
<tr>
<td>8</td>
<td>very good</td>
</tr>
<tr>
<td>9</td>
<td>Outstanding</td>
</tr>
<tr>
<td>10</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

The ten website variables rated were:

- accessibility;
- functionality;
- usability;
- navigability;
- interactivity
- quality of information;
- online payment capability;
- design and aesthetic attractiveness;
- value addition links; and
- translation capabilities.
5.3.1 Reliability Analysis

The Cronbach’s alpha for the 10 items analyzed from a sample of 76 tour operator websites resulted in an alpha of .886. Being greater than 0.70, it was therefore concluded that the instrument was internally consistent, hence reliable.

5.3.2 Summary outcome of the website evaluation

Table 5.26 below shows the summary of the evaluation of the website using the ten variables indicated above.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td>8.11</td>
<td>1.793</td>
</tr>
<tr>
<td>Functionality</td>
<td>7.51</td>
<td>2.036</td>
</tr>
<tr>
<td>Usability</td>
<td>7.51</td>
<td>1.936</td>
</tr>
<tr>
<td>Navigability</td>
<td>7.46</td>
<td>2.010</td>
</tr>
<tr>
<td>Interactivity</td>
<td>6.16</td>
<td>2.551</td>
</tr>
<tr>
<td>Quality of information</td>
<td>7.25</td>
<td>1.967</td>
</tr>
<tr>
<td>Online payment capability</td>
<td>1.33</td>
<td>2.645</td>
</tr>
<tr>
<td>Design and aesthetic attractiveness</td>
<td>6.96</td>
<td>2.259</td>
</tr>
<tr>
<td>Value addition links</td>
<td>5.96</td>
<td>2.909</td>
</tr>
<tr>
<td>Translation capabilities</td>
<td>1.50</td>
<td>3.062</td>
</tr>
</tbody>
</table>

5.3.2.1 Accessibility

The majority of the websites were accessible which is shown by a mean rating of 8.11 (Table 5.26). It was generally not difficulty to open- up most of the tour operators’ websites, however the high standard deviation of 1.793 showed lacked of uniformity on the accessibility of the websites.

5.3.2.2 Functionality and Usability

Two attributes of the website, functionality and usability had a mean rating of 7.51 (Table 5.26) showing that most of the websites did not pose difficulties for customers who accessed them. However, the high standard deviations of 2.036 and 1.936 indicated that there was again no uniformity on these attributes across the websites of the tour operators. On one
hand there were websites whose functionality and usability were very high, creating a platform on which customers are able to find what they are searching for without any challenges. On the other hand, there were websites which put off customers because of their poor functionality.

5.3.2.3 Navigability

The navigability of the websites was high with a mean rating of 7.46 (Table 5.26). In the majority of cases clients were able to move from one section of the website to the other without difficulties. However, the attribute had a high standard deviation of 2.010. This is due to the fact that the overall quality of the website is mainly dependent on the amount of investment that the tour operators commit to its development. Given that the majority of the country’s tour operators are small family run businesses, the owners have not been in a position to devote adequate resources to website development.

5.3.2.4 Quality of information

The quality of information attribute had a mean rating of 7.25 (Table 5.26) indicating that the majority of the websites offered relevant information to the potential customers who accessed them. This rating corroborates the finding of the tour operators’ survey in which the respondents indicated that the second most important external use of their websites was that of providing information to customers. The attribute however, had a high standard deviation of 1.967 showing a high variability of the quality of information found on these websites. This outcome is again a result of the overall characteristics of the tour operating entities in terms of their size, ownership and the level of appreciation of ICTs as part of the company’s business strategy.
Detailed analysis of the quality of information showed three categories of websites. One group of the websites provided very rich content with detailed descriptions of the country’s tourist attractions, different types of accommodation facilities available, tour itineraries and rates, the country’s weather conditions throughout the year and terms and conditions of purchasing of the different products on offer. These websites further include picture galleries of high resolution colourful pictures of products on offer including videos and audio clips. Upcoming events of touristic interests and their dates, for example the Victoria Falls marathon and the Harare International Festival of Arts (HIFA), were shown in this category of websites.

The second group of websites provides detailed information about their services and products. Some of them had blog pages which gave clients updates about the companies’ service offerings and developments in the tourism sector in the country. The third group of websites was dominated by outdated information about their service offerings, have limited and often wrong information about the country’s tourist attractions and products offer no prices on tour packages and is characterized by poor pictures.

5.3.2.5 Interactivity

Some of the websites were fairly interactive. Clients are able to have real time interactions with employees of the companies. The mean rating for this attribute is rather low at 6.16 (Table 5.26). It also has a high standard deviation rating of 2.551 showing again major differences between the companies on the attribute. In fact, a majority of the websites do not offer any interactivity with customers at all. For example most websites request potential clients to send them an email if they want to book a product or service.

5.3.2.6 Design and aesthetic attractiveness
The design and aesthetic attractiveness attribute had a mean rating of 6.96 (Table 5.26) with a very high standard deviation of 2.259. The high standard deviation shows again the range of differences in the quality of design and attractiveness between the different websites. This is a reflection of differences that exist between the companies in terms of how they value websites as channels of communicating with clients and platforms for selling their products. For example websites of the majority of the big companies are visually appealing, well structured, user friendly and are not crowded by both text and pictures. The attractive sites generate positive impression on the clients and hence, clients are able to search for whatever they need without being frustrated. Some of the large company websites offer electronic brochures which the potential clients can download. In contrast, a majority of the small company websites are cluttered, dull and static. These differences are therefore reflected in the high standard deviation shown in Table 5.26 above.

5.3.2.7 Value addition links

The value addition links attribute had a low mean rating of 5.96 (Table 5.26) showing that in general the websites have poor links to other product offerings and essential services. The attribute shows a high standard deviation of 2.909 indicating lack of uniformity across the websites of the sampled tour operators. On the one hand, there were websites that provided links to a large array of services and products in the country like accommodation, restaurants, flights, entertainment, car rentals and amenities. In addition, links to social media platforms like Facebook and to important tourism stakeholders like ZTA, ZCT, were also provided. On the other hand, some websites do not have any links at all while some have links that are out of date and therefore not functional. This is a major challenge to the potential clients as the information provided lacks currency and accuracy and therefore not useful for making holiday purchasing decisions.
5.3.2.8 Translation capabilities

Tourists accessed company websites from different parts of the world and hence it was important to evaluate how far the tour operators’ websites offered different clients the opportunity to read their websites in their own languages. The attribute translation capabilities had a very low mean of 1.5 (Table 5.26). This meant that the majority of the tour operators did not offer this facility on their websites. The inability to offer the facility means that tour operators cut themselves off from a huge non-English speaking global market. The absence of this facility on the majority of these websites, is partly a result of the tour operators’ lack of understanding of the characteristics of international tourist markets as was brought out by the key interviewees. It is also partly as a result of lack of ICT skilled personnel within these companies who would give management appropriate advice on the critical role of this attribute.

The attribute had the highest standard deviation of all the attributes evaluated of 3.062. The results are not surprising because only 5% of the sampled tour operators offered this facility on their websites. The intercompany differences on this attribute are further exacerbated by the fact that those companies with the facility, offer it at an international standard level. For example, one company’s website gave clients the ability to translate the text into more than fifteen languages including French, German, Chinese, Japanese, Russian, Dutch, Spanish, Italia, Portuguese and Arabic.

5.3.2.9 Online payment capability

One of the major perceived benefits of a tour operator’s website, is that of transacting business. It was therefore important to evaluate how far the national tour operators’ websites provided this function. The online payment capability had the lowest mean rating of all the ten attributes evaluated which stood at 1.33, (Table 5.26). This indicated that there were very
few companies whose websites had the ability to receive payments online from clients. Most of the advanced websites had online booking form on which clients were asked to make bookings of the services and products they required. Some of the websites showed the company’s banking details and advised clients to deposit payments into those accounts once the service needed had been confirmed. This is a very old way of conducting business, given that the current tourist is overwhelmed by the number of destinations where he can take his holiday. He is therefore not very patient with service providers who take too long to respond to his needs and is not prepared to spend too much of his time going through tedious ways of paying for his chosen holiday package. The lack of the online payment capability means that the tour operators are losing out on clients that are now accustomed to transact their business online.

5.4 Conclusion

The survey indicated among other things that the majority of the tour operators were small family- owned- businesses which concentrate on inbound tourism. The survey also revealed that the majority of the tour operators had adopted one form of ICTs or another in their business operations which are mainly used for distribution of information about their services and holiday products. It further established that whilst the tour operators were aware of the benefits of adoption of information communication technologies, they faced several challenges in their attempts to integrate ICTs in their operations. Insights from key interviewees indicated that tour operators were the poorest users of information communication technologies in the tourism industry in the country. It was claimed that the poor adoption of information communication technologies by tour operators was due mainly to lack of management vision on the importance of ICTs as part of the company’s business strategy. It was argued that failure to embrace ICTs in the business operations of the tour
operators would result in the collapse of these enterprises in the long term. The websites evaluation showed that the majority of tour operators had websites which were of varied quality and usefulness. The websites were mainly being used for distribution of product information. Very few of them had e-commerce capability.

In summary it can therefore be postulated that the findings of the survey, the outcomes of the key respondents’ interviews and the evaluation of the tour operators’ websites, led to the conclusion that the country’s tour operators were yet to embrace ICTs as part of their business strategy. The next chapter will present an analysis and discussions of the findings of the study.
CHAPTER 6

ANALYSIS AND DISCUSSION

6.0 Introduction

Chapter 5 presented the findings of the study. This chapter gives an analysis of the findings of the study. It analyses the outcomes of the study and relates them to the study objectives. Discussions of the findings are compared to similar studies that have been carried out in different parts of the world with a view of establishing international best practices that Zimbabwean tour operators can adopt in their enterprises. The challenges that Zimbabwean tour operators have faced in adopting information communication technologies in their businesses are discussed within the framework of a number of theories that relate to diffusion and adoption of technology. Themes that were identified in the study are outlined, commented upon and related to the objectives of the study. The chapter links up the findings from the tour operator survey, key respondents interviews and websites observations. It further discusses the common trends that have affected the adoption and use of information and communication technologies by the country’s tour operators. Finally, the chapter highlights the overall impact of lack of adoption and use of ICTs on the long-term sustainability of the country’s tour operating enterprises.

In broad terms, the analysis and discussion cover fifteen areas which were highlighted in the presentation of the findings. These are as follows:

- characteristics of the tour operating enterprises;
- evolution of ICTs adoption in the tourism sector;
- evolution of ICTs adoption by tour operators;
- tourism products offered;
- tourist the markets served;
• perceived importance of ICTs;
• ICTs being used;
• drivers of ICTs adoption;
• deterrents to ICTs adoption;
• ICTs internal usage;
• ICTs external usage;
• perceived and expected benefits of ICTs;
• factors contributing to tour operators’ business failure;
• government policies and their impact on tour operators’ sustainability; and
• strategies for long term sustainability of the country’s tour operators.

6.1 Characteristics of Zimbabwean tour operators

The tour operating sector is dominated by small family owned companies. This characteristic is common to the majority of tour operators in developing countries (Migiro and Ocholla, 2005; Wanjau et al, 2012; Mwarani 2012; Phetlhe and Pelser, 2013).

The majority (77%) of the tour operators employed a maximum of 10 people in the business (Figure 5.3). The employment characteristics of the tour operators’ sample was also in line with the trends that obtain in other developing countries (Karanasios and Burgess, 2006; Hinson and Boateng, 2007). In a study in Ethiopia, Demeke (2014:207) posits that 68% of the tour operators sampled, employed less than 10 people. The size and ownership of the tour operating enterprises have inherent challenges with regard to adoption of information communication technologies. Firstly, the owner who is usually the head of the family is often rooted in old ways of operating the business and is therefore not usually enthusiastic in introducing ICTs in the operations of the company. Firstly trust in information
communication technologies is often limited. Mgijima and Flowerday (2012:10224) stated similar views with regard to the outcome of their study in South Africa. Secondly, financial institutions are reluctant to advance funds to SMEs as they are perceived as high risk organizations because of their inability to offer appropriate collaterals for the funds borrowed. Finally, as family operated enterprises, information communication technologies skills and knowledge were often limited and hence there was no incentive to introduce information communication technologies in the business.

A major feature of the characteristics of the country’s tour operators is the limited number of years they have been in operation. It was indicated in chapter five that 61% of the sampled tour operators had been in existence for a maximum of ten years with only 12% of the companies having been in existence for 21 years and above. The findings are comparable to those of Kilangi (2012:55) in Tanzania who indicated that 40% of his respondents indicated that they had been in business for less than five years. Besides showing that the majority of the tour operators are newly established businesses, the results further showed that there was a high business mortality rate in the sector. The high business mortality rate was a result of a number of factors, for example, a large number of the entrepreneurs were attracted by the glamour of the tourism industry without fully understanding its nature and characteristic.

A majority of the sampled tour operators focussed on inbound tourism. Given that 46% of the tour operators (Figure 5.1) indicated that they undertook both inbound and outbound touring activities it meant that tour operations were dominated by incoming business, i.e. tourists coming from other countries into Zimbabwe. The majority of international tourists source information for potential holiday destinations through information communication technologies. Therefore, in order to access the international markets, tour operators need to use ICTs in their business operations.
6.2 Evolution of ICTs adoption in the tourism sector

With regard to the tourism industry as a whole the respondents agreed that there had been a gradual adoption and use of information communication technologies by business enterprises since 1980. It was pointed out that the industry had experienced noticeable migration from the telex system of the 1980s, to customised hotel systems with regard to communication with clients. It was further indicated that the sector had migrated from MS DOS to Microsoft Windows as operating systems across the board. Evidence from the tourism industry as a whole, helped to confirm the claims by the respondents on the evolution of information communication technologies adoption in the sector. For example, travel agents operations had been integrated into airline reservations systems and the major hotels have adopted international reservation systems in their operations.

Further, respondents pointed out that the recent explosion of WIFI technologies which was in line with global developments had been a major booster for information communication technologies utilization in the tourism industry. A large number of enterprises, especially hotels, were offering the facility to their clients on a complimentary basis.

The evolution of the information communication technologies adoption in the industry as a whole was in line with diffusion of innovation theory (DIT) as postulated by Rogers (1995&2003). The model identifies five categories of individuals with regard to adoption of technology. These are termed, innovators, early adopters, early majority, late majority and laggards. He further posits that there are five stages of the adoption process: knowledge, persuasion, decision, implementation and confirmation (Shemi, 2013). The country’s tour operators fall into the late majority and laggards in terms of adoption of ICTs since 1980. Part of the reasons is that the tour operators have been late adopters because of their ownership characteristics which were discussed above. The issues of family ownership were
clearly evident during the field research whereby a large proportion of the tour operating
companies, were being managed by very young people who were related to the owners of
the business. Some of these companies had been set up to give the relative a job. These
young managers had very limited training in tourism and hence their appreciation of the
importance of and role of information communication technologies in the business operation
was also very limited.

A number of respondents pointed out that tour operating managers had deep fixation with
old ways of doing business and hence had not taken information communication
technologies seriously. It was further claimed that a large number of the tour operators had,
adopted information communication technologies as a result of the technology being
“forced” on to them by the business environment in which they found themselves. The
observations by the key respondents were borne out by basic issues like poor functionality of
some of the websites of the tour operators and lack of updating of the websites. For example,
some tour operators’ websites had not been updated for over a period of three years. This
state of affairs showed that the tour operators did not view the website as a key distribution
channel for their products and services. It also showed a lack of understanding of the impact
that poor websites had on customers’ image of the company. This point was elaborated upon
by Wiig (2005) in discussion of the characteristics of the websites of tourism SME
stakeholders in Namibia.

There was a general consensus from the respondents that the macro economic and political
challenges that the country witnessed from 2000 onwards, retarded the adoption of the
information communication technologies in the tourism sector as whole including tour
operations. The result was that the sector’s level of information communication technologies
adoption was far behind that of competing Southern African Development Community
(SADC) tourist destinations like South Africa, Botswana and Namibia. For example, some key respondents were of the view that Zimbabwe’s tourism sector is ten years behind South Africa with regard to its adoption of ICTs in its operations. These views were buttressed by studies that had been carried out in South Africa which showed high levels of information communication technologies utilization by SMEs in tourism (Phetlhe and Pelser, 2013). The evolution of information communication technologies adoption in the tourism sector, has also been retarded by capitalization issues due to scarcity of funds, high costs of borrowing and liquidity challenges during the last two decades.

6.3 Evolution of information communication technologies adoption by tour operators

The tourism sector as whole was able to move in tandem with the changes that were occurring at the global level. The developments were summarized by respondent R2 who said:

“The industry has experienced noticeable migration from the telex system of the 1980s to customizing hotel systems with regard to communication with clients and has migrated from MS DOS to Microsoft Windows as operating systems across the board”.

However, tour operating companies did not experience the same level of technology diffusion as the rest of the industry. Respondents argued that one of the major problems faced by tour operators with regard to adoption of technology during the early years of independence, was that the majority of the managers of these companies had limited academic backgrounds. They therefore failed to appreciate the importance of using technology as part of the business strategy. This historical negative attitude to adoption of information communication technologies in their business operations, seemed to have been perpetuated in the subsectors to the present day whereby senior managers are not serious in adopting information communication technologies in their enterprises.
The inability of local tour operators to prioritize the use of information communication technologies in their businesses resulted in lack of creativity and innovation in the products and services offered to the customers. At present, creativity and innovation are key sources of competitive advantage in the tourism sector including tour operations (Teodorescu et al, 2015). They constitute the unique selling prepositions (USP) for tour operating companies which differentiate them from their competitors. According to Schumper (1997, cited by Weiemair, 2004:2) innovation covers the following areas:

- generation of new improved products;
- introduction of new products;
- development of new sales markets;
- development of new supply markets; and
- re-organization and or restricting of the company.

Findings from the study showed that the majority of the country’s tour operators hardly made efforts to offer potential clients innovative tour packages in the country. Only a handful of the major tour operators have come up with new products like ‘walking with the lions’ “elephant rides” “croc cage diving” and ‘the zip line’ in Victoria Falls. The inability of the country’s tour operators to follow international best practices in being creative and innovative in product offerings, resulted in them losing customers to the regional and international tour operators. There is therefore a need at national level to come up with intervention programmes that will help senior tour operating managers to appreciate the strategic importance of using information communication technologies in their operations.

6.4 Tourism products offered
The products offered by the tour operators can be classified into three categories: primary, secondary and other. The primary products and services offered by the tour operators were:

- game viewing and sightseeing tours around Zimbabwe;
- adventure tours;
- river and lake cruises; and
- cultural tours around Zimbabwe.

The secondary products and services on offer were:

- canoeing safaris on the Zambezi; and
- walking safaris.

The third category of products services offered were the ‘other’ which were not very prominent within the sample population. These were:

- conference and incentive packages;
- weddings and honeymoon packages; and
- school trip packages.

The primary and secondary holiday products were the key attractions for foreign tourists to the country; hence the majority of tour operators endeavoured to offer them in their portfolios. The dominance of Victoria Falls and wildlife as the country’s main tourist attractions was revealed by the fact that all the tour operators offered river and lake cruises and game views and sightseeing tours around Zimbabwe as their core products. Adventure and cultural tours also featured prominently in the tour operators’ portfolios of products.

The tour operators faced stiff competition from South African and international tour operators for all their Victoria Falls based products. This was a result of several developments that had occurred in the country during the past two decades. Firstly,
Zimbabwe lost its hub position to South Africa in the early 2000 as the majority of international airlines stopped direct flights to the country and relocated to South Africa. The direct result of this was the loss of control of product consolidation by local tour operators to South African operators. Secondly, Zimbabwe had become an appendix destination to South Africa and was being sold as an add-on attraction to South Africa. Thirdly, international tour operators were either packaging the destination independently and distributed their holiday packages to clients through the internet or were partnering with South African tour operators to sell the Zimbabwean holiday packages. In order to fight both international and South African competition, the country’s tour operators need to offer their products to the potential customers through the virtual platforms that are now commonly used by potential tourist to purchase their holidays. These include among others, websites, facebook and YouTube.

The conference and incentive market segments source and purchase their tourist products through the traditional distribution channels. This is due to the fact that conference and incentive buyers require face to face interactions with product providers. Internationally, the conference and incentive market segment has experienced tremendous growth in recent years (UNWTO, 2014). It would therefore have been expected that tour operators in the country prioritized the conference and incentives market in their product offerings. However, the study clearly showed that this was not the case. This was mainly due to the fact that the market segment was very competitive and it demanded high quality products and services. Tour operators therefore, avoided focusing on the market segment because of the country’s poor tourist infrastructure, products and lack of skilled manpower.

6.5 Tourist markets served
The domestic market constituted the largest source of business for the majority of the tour operators. In most cases, the domestic market preferred to purchase holiday products directly through the tour operator. The domestic market was mainly composed of the business market, mainly delegates on conferences and workshops which were held in the country’s tourist’s resorts like Victoria Falls, Kariba, Nyanga or Masvingo. There was a preference to have face-to-face interaction with the product providers rather than sourcing the products through the internet. This was a result of the fact that the organizers of the conferences from government, the private sector and non-governmental organizations needed to establish personal relationship with service providers in order to ensure the success of their events. The traditional product distribution method that was preferred by the local tour operators was therefore an appropriate way of selling the holiday products to the domestic business market.

Given the continued deterioration of the country’s economy, the domestic business market segment will in due course suffer from the same shrinkage that the domestic leisure market has experienced in the country. Shrinkage of the domestic business market has also been affected by the scaling down of activities by a number of non-governmental organizations in the country. Tour operators will therefore need to focus more on increasing their market share of the regional and international tourist markets if they are to remain viable in the current economic environment. The tour operators will also need to effectively use information communication technologies as these customers mainly use virtual platforms for purchasing holiday products.

The most important international markets for the country’s tour operators were composed of the following: South Africa, Britain, Germany, Rest of Europe, USA, China, Japan, Rest of Asia, Australia and Canada. South Africa constituted the largest source of business for most
of the tour operators. The dominance of the South African market was partly as a result of
the geographical location of the country and partly as a result of partnership arrangements
that Zimbabwean tour operators had entered into with South African tour operators.
Zimbabwe’s geographical proximity, its historical, cultural, political and economic ties with
South Africa, meant that a large proportion of holiday makers in that country were familiar
with Zimbabwe’s tourist attractions. South African tourists therefore were able to make
direct bookings for holidays through Zimbabwean tour operators.

South African tour operators required partners on the ground in Zimbabwe to handle their
clients. Zimbabwean tour operators were therefore contracted to carry out airport to hotel
transfers, game drive activities and any other touring services that the clients would have
bought in South Africa. However, for the long term the Zimbabwean tour operators need to
focus more on increasing direct bookings from South African tourists rather than relying on
South African tour operators for their customers. This is strategically important because with
the government encouraging foreign direct investment, (FDIs) in different sectors of the
economy including tourism, there is a strong likelihood of South African tour operators
establishing their own branches in Zimbabwe so that they can directly services their own
clients. Already, companies like Thompson Tours and Wilderness Safaris have established
branch offices in Victoria Falls. Zimbabwean tour operators who used to handle clients from
these companies have seen their client base reduced overnight.

Outside South Africa, three groups of markets emerged and were categorized as primary,
secondary and tertiary. The primary group was made up of Britain, Germany, the Rest of
Europe and Japan. These markets were identified as major sources of business by the
respondents. The secondary source markets were composed of the United States of America,
Australia and Canada. The third group of source markets was composed of China and the
Rest of Asia. The majority of potential customers from the three sources markets mainly use information communication technologies for sourcing general information about holiday destinations as well as for sourcing specific holiday products (Buhalis, 2013). In view of the fact that Zimbabwean tour operators identified these areas as core sources of business, it therefore means that their products have to be available on the internet from which these customers are buying their holiday packages. Failure to properly respond to the market demands for availing the products on virtual platforms, may result in the potential customers purchasing their holiday needs from the source markets tour operators only.

The current international tourists are experienced travellers who are searching for experiential holidays (Arseneault, 2016). They demand opportunities whereby they are enabled to create their own holiday packages in the destinations they intend to travel and ask tour operators to give them a price for their ideal holidays. This trend of customer behaviour is referred to as dynamic packaging (Romano, 2005 and Cardoso, 2005). The concept is described by Thangaraj and Manikandan (2011) as an innovative technology that allows automated online configuration and assembling of holiday packages for customers. This means that tour operators should offer possible holiday packages on the internet from which the potential clients can create their specific holiday package. The poor quality of the websites of the majority of the country’s tour operators, their limited interactivity and their poor navigability mean that the potential international tourists are unlikely to use them as sources for their holiday packages. The problem is exacerbated by the fact that only very few of the websites have translation capabilities. The inability to offer the facility meant that the country’s tour operators cut themselves from a huge non-English speaking global market. The tour operators ranked Australia and Japan higher than China as source markets for their businesses. The perception was indicative of a lack of understanding on the part of the tour
operators of the potential of the Chinese market. China was in 2014, the global number one outbound international tourist market (UNWTO; 2015) producing a total of 109 million tourists of which 2.7 million took their holidays in Africa. The Chinese travellers spent a total of US$165 billion, making the country the number one spender on holidays during the same year. Given the size of the Chinese outbound market and Zimbabwe’s ‘special’ relationship with China including the Approved Destination Status, it would have been expected that this market would have received a higher rating from the respondents. However, the country has been receiving very limited numbers of Chinese tourists, for example, in 2013 Zimbabwe received a total of 16500 Chinese tourists whilst South Africa received 151000 and Mauritius and Zambia hosted a total of 41000 and 27000 respectively (UNWTO 2015).

Lack of understanding of the international tourism trends, was highlighted by the key respondents as a major challenge that tour operators faced. The respondents pointed out that the tour operators did not participate in joint marketing of the destination with other stakeholders in the industry and only positioned themselves to offer services to clients that other stakeholders would have spent large sums of money to persuade to have holidays in Zimbabwe. The current position taken by the majority of the tour operators is unsustainable because globally, tour operators are the most important partners of national tourism organizations in promoting the destination in source markets (Middleton, 1994 and Mazurek, 2014). The local tour operators risk being replaced by South African and international tour operators as partners in promoting the country in different source markets. Key respondents indicated that some stakeholders in the industry were already partnering with South African tour operators in marketing holidays to the country. Local tour operators were being shunned because it was felt that they were not adding any value to the promotional activities of the principals in the country.
6.6 Perceived importance of ICTs

The overwhelming majority of the respondents, 89%, (Table 5.12) indicated that the adoption and use of information communication technologies was important in their business operations. The findings indicated that regardless of the current level of information communication technologies adoption, the respondents were aware of the importance of using information communication technologies in their business operations. When the respondents were asked to rank the importance of the use of information communication technologies for their business survival, majority of them, 77%, (Table 5.13) again strongly agreed that it was essential for them to adopt and use information communication technologies for the long-term survival of their business. The overall outcome of the finding was that whilst superior importance was attached to the operational importance of information communication technologies, the same degree of rating was not attached to the use of information communication technologies for business survival. This finding had significant implications for strategic positioning of information communication technologies by tour operators in their long term business plans. It pointed to the downplaying of information communication technologies as a tool for long term business survival. In view of the fact that globally, tourists are increasingly sourcing their holiday products through information communication technologies, the attitude of the tour operators revealed a total lack of appreciation of the current buying behaviour of the “new” tourists. The situation therefore calls for the government to put in place training programmes for tour operators to help them increase their awareness of international market trends in tourism.

The high level of the tour operators’ perception of the usefulness of information communication technologies in their business operations suggested that they were likely to implement these technologies as suggested by the Perceived E-readiness Model (PERM)
postulated by Davis (1986). In a number of cases the perceived importance of information communication technologies resulted in tour operators adopting them in their operations, for example the website evaluation findings showed that 77% of the sampled tour operators had established websites. The website evaluation further indicated that the majority of the websites were easily accessible.

However, the perception of the importance of information communication technologies in business operations, has not resulted in effective adoption and use of ICTs, for example very few of the websites had e-commerce capability. The outcome of the study was similar to that of (Hinson and Boateng, 2007:8) in Ghana whereby 86% of the managers of the tourism SMEs supported the implementation of e-commerce in their businesses whilst in reality 81% of the enterprises had no e-commerce policies nor budgets for the purchase of ICTs. Similar findings were reported by Duff (2010) in his study in Ireland. He postulated that adoption of information communication technologies by SMEs in tourism were affected by a number of variables beyond those explained by the technology acceptance model, (TAM). These included among others; organizational readiness, management leadership and external pressure.

The key challenges that the country’s tour operators encountered in adopting information communication technologies was a lack of vision on part of the management of these enterprises. A large number of them have not included information communication technologies as part of their business strategy as postulated by Porter (2000). To a large extent, the lack of ICTs vision is a result of the fact that a number of the senior managers were more comfortable in using old ways of business operations than introduce new systems. This challenge was highlighted by some of the key respondents who pointed out that most of the managers of the tour operating enterprises did not trust information communication technologies because they would make them loose control of the business.
This apprehension on the use of ICTs was buttressed by the widely publicised internet fraud that these managers were exposed to in the media. In the majority of cases the managers who were the owners of the companies felt safer in using the traditional product distribution channels which they were used to rather than the new distribution channels which they had little control over.

One major observation from the findings was that company ownership and size had a significant impact on the adoption and use of information communication technologies in the enterprises. The medium-sized companies which were shareholder-owned were the leaders in implementing effective information communication technologies solutions to their businesses. For example, they were the ones whose websites had translation capabilities as well as e-commerce functionality. The outcome was a result of the fact that at corporate level, these companies were guided by international best practices in the way they conducted their business activities in contrast to family owned SMEs which were depended on the vision and characteristics of the owner and founder of the company.

6.7 ICTs being used

The outcome of the survey clearly showed that the respondents used a wide range of information communication technologies in their business operations. These included the following: desktops, laptops, the internet, integrated server, website, intranet, social media, VOIP and global distribution system. The internet was the most common form of information communication technologies employed by the tour operators. The use of the internet was linked to adoption of desktops which were the second most popular type of ICTs used by the tour operators. The use of the internet was further facilitated by the high level of ownership of websites by the respondents.
The study findings indicated a high disparity on the adoption of these information communication technologies by the tour operators. The only exception was the use of the internet where there was a strong consensus which was shown by a mean rating of 3.0 and a standard deviation of 0. The lack of coherence on the adoption of the other three forms of information communication technologies reflected the intercompany disparity in positioning of ICTs in business operations. The disparity also showed that the Zimbabwean tour operators were at different stages of information communication technologies adoption as conceptualized in the TAM model, (Mpofu et al; 2011) whereby companies accepted and adopted technology in line with their understanding of the usefulness of the technology.

Given the level of differences in the types of information communication technologies being used by the tour operators, it can be argued that the process of technology adoption by the local tour operators is more in line with the e-commerce adoption ladder model (Scot et al 2012). The model envisages companies going through five stages towards the adoption of e-commerce, starting with the use of emails then progressing to the establishment of a website and finally to the development of a fully-fledged e-commerce platform. Suffice though to point out that, whilst these models are useful guidelines in understanding adoption of information communication technologies by companies, the actual rate of adoption is usually determined by the different political and economic environment in which companies operate, (Mpofu et al, 2011).

The least implemented forms of information communication technologies by the respondents were integrated servers and global distribution systems (GDSs). The two variables had mean statistics of 2.23 and 2.21 respectively and were ranked 8th on Friedman’s Rank analysis out of 10 types of ICT being used by the tour operators. In view of the fact that internationally GDSs are now the standard platform for the distribution of tourist products and services,
their low showing within the country’s tour operators gave an indication of how far the tour operators were still reliant on traditional product distribution systems. The approach is detrimental to the future sustainability of the tour operating sector in the country because globally, the majority of tourists are booking their holidays online. For example of the 109 million outbound tourists from China in 2014, only 28 million booked with outbound tour operators in China, while the rest booked their holidays online (CRS, 2015).

6.8 Drivers of ICTs adoption

Results of the tour operator survey showed that the key drivers for the adoption of information communication technologies were customer demand which had a mean of 4.6 on the 5 point Likert scale and the need to be competitive which had a mean of 4.72 (Table 5.15). This finding was in tandem with that of Wanjau et al. (2012) in Kenya. Despite customer demand having a high mean rating, the greatest harmony among respondents was identified with the need to be competitive which had a standard deviation of .532. The outcome was not surprising in that whilst businesses, including tour operations, strived to meet the demands of customers, their strategies were often guided by the competitiveness of the environment in which they operated (Robertson and Gatignon, 2000) cited by (Wanjau et al., 2012:79). Hence whilst adoption of the information communication technologies by Zimbabwean tour operators was influenced by the need to meet customer demands, the need to be competitive seemed to have been the major driving force for adoption of ICTs by the tour operators. The respondents further identified trading partners as the third key driver for adopting information communication technologies in their business operations.

The need to meet the requirements of trading partners through the use of information communication technologies was borne out by the key respondents who indicated that the majority of tourism suppliers in the country, had adopted ICTs in their operations, for example hotels and airlines. Tour operators had been “forced” to adopt information
communication technologies so as to be compatible with the demands of the trading partners. This observation was clearly articulated by respondent R4 who made the following observation,

“Most managers in the tour operating sector are still focussed on old ways of doing business and are therefore not taking ICT seriously. The consequence is that the business suffers. In actual fact one can say that the adoption of ICT by the majority of tour operators has been ‘forced’ on them by the business environment they are operating in. For example, recently I visited a long established travel agent whose manager still preferred to use the old airfare calculating manual although her office was fully computerized. There was still lack of trust in the use of ICT. Members of staff still phoned the airline to reconfirm their bookings that had already been confirmed online. This is a problem that has to be addressed properly across the whole tour operating sector.”

Ndekwa and Katunzi (2013:77) echoes similar observations with regard to information communication technologies adoption by tourism SMEs in Tanzania. The tour operators have had to adopt information communication technologies in order to meet the demands of their international trading partners like overseas tour operators whose clients they handled in the country. Similar results were reported by Duff (2010) in his study of tourism SMEs in Ireland. He noted that a large number of the SMEs had adopted information communication technologies in their operations in order to meet partners’ pressure. The operations of these partners are fully based on information communication technologies and hence most of the communication and contractual arrangements are ICTs based. The local tour operators adopted some levels of information communication technologies in their business in order to ensure that they retained their business contracts with overseas partners.

The use of information communication technologies in the business operations of the local tour operators was in line with Porter’s five forces model (Dobrivojevic, 2013 and Waema
Porter postulated that enterprises were impacted by five factors in their business competitiveness: bargaining power of suppliers, bargaining power of consumers, rivalry among existing competitors, threats of substitution and barrier to entry. The study revealed that tour operators had to contend with the increasing power of suppliers most of whom were distributing their products directly to the consumers through the internet, bypassing the tour operators as channels of product distribution. It further showed that information communication technologies had increased the bargaining power of the ‘new’ tourists who were able to search the internet for travel options to Zimbabwe. They were also able to compare prices offered by different tour operators and principals in the tourism sector. Further, the tourists were able to create their own tailor-made tour package itineraries using information from different e-tourism platforms of the destination. The high level of cost transparency brought about by information communication technologies as a result of price competitiveness and rivalry within the tourism stakeholders in the country, further increased the bargaining power of the customers. The study also indicated that adoption of information communication technologies, increased threats of substitution to the established tour operators. A number of the new tour operators had based their businesses on virtual platforms which had very limited barriers to entry. They did not have to incur heavy start-up costs. Their key requirement was a well designed creditable and functional website which had the ability to transact business with both the potential customers and trading partners.

However, given the dynamic nature of information communication technologies and the frequent product changes that have become the norm in the information communication industry, the Zimbabwean tour operators are going to find it very difficult to cope with the global changes of information communication technologies products. Therefore, there is a danger that left on their own; the country’s tour operators will be forced to operate on the
fringes of the global tourism industry resulting in the majority of them going out of business. The government will need to put in place, policy frameworks that will enable the operators to access and install the most up to date ICT hardware and software in their operations. Waema and Katau (2013) posited similar views with regard to effective adoption and use of information communication technologies by tourism stakeholders in Kenya.

The respondents identified availability of information communication technologies as the least significant driver for adoption of information communication technologies. The outcome reflected the kind of macroeconomic environment in which the enterprises were operating in. For example, a wide range of ICTs are now available in the country and hence operators do not see this as something that is a main driver of their decision to adopt information communication technologies.

It is essential for the tour operators to develop a full understanding of the business case for adoption and use of information communication technologies in their enterprises. This will help them to make information communication technologies an integral part of their business strategy (Porter, 2001). Hence, regardless of the macroeconomic environment, the business will operate in, in the future, information communication technologies which will need to be part of the business strategy. The current situation whereby the tour operators are adopting ICTs as a result of the need to respond to the demands of trading partners and customers, is inadequate to ensure that information communication technologies are embraced in the future as part of the normal business strategy by the country’s tour operators.

6.9 Deterrents to ICT adoption

The variables rated by the respondents as deterrents to adoption of ICTs comprised of the following:
• cost of initial capital;
• lack of finance;
• lack of government incentives;
• lack of appropriate technologies;
• lack of trained and knowledgeable staff;
• difficulty in integrating new systems;
• lack of confidence in ICT benefits;
• security concerns; and
• limited ICT infrastructure.

The most significant deterrent to information communication technologies adoption as perceived by the respondents, was the cost of initial investment, which had a high mean rating of 3.95 (Table 5.19). The second significant deterrent was lack of finance which had a mean rating of 3.66. Lack of government incentives came out as the third significant deterrent with a mean rating of 3.36, whilst limited information communication technologies infrastructure was rated as fourth significant deterrent to information communication technologies adoption. However, despite these being the most dominant deterrents, the high standard deviations of 1.28, 1.26, 1.29 and 1.16 respectively that these variables had, revealed that there was no overall consensus amongst the respondents. In other words, what was a deterrent for one tour operator was not necessarily a deterrent for the other tour operator. The outcomes of the study were similar to those of Kilanji (2012) in Tanzania who postulated that cost of initial investment and lack of finance hindered information communication technologies adoption by the country’s tourism SMEs. The study of Runvad and Olofsson (2014), in the same country reiterated similar findings. Demeke (2014:239) reported similar findings in his study of tour operators in Ethiopia where 40% of the respondents were unable to afford the purchase of desktops.
It was interesting to note that national differences in levels of economic development and education, do also affect the adoption of information communication technologies in business operations. For example, in Demekes’s (2014) study, the respondents indicated that lack of knowledge about information communication technologies was a major deterrent in adopting ICTs in their business operations. However Shemi’s (2013) study in Botswana, highlighted the importance of the environment in which businesses operated and how that affected the rate at which information communication technologies were adopted. The study showed that the measures that the Botswana government had put in place to facilitate the growth and development of information communication technologies infrastructure in the country, had positively affected SMEs in tourism to adopt ICTs in their operations.

In Zimbabwe, the government has offered no incentives for SMEs in tourism to adopt information communication technologies in their operations and hence this was perceived as a deterrent to effective adoption and use of information communication technologies by the respondents. The government needs to consider a number of issues so as to incentivise tour operators to adopt information communication technologies in their operations. For example, there is a need to mainstream the tourism sector in the country’s ICT policy, and to develop training programmes on information communication technologies awareness programmes for the tourism industry in general and the tour operating sector in particular. These measures will go some way in encouraging the country’s tour operators in adopting information communication technologies in their operations.

The findings of the study reflected the general macroeconomic environment that the enterprises in the country have been operating in since the turn of the new millennium. Generally, the cost of borrowing in the country has been high ranging between 15-30% in terms of interest rates. Therefore, tour operators being mainly SMEs, could not afford to
borrow money at these rates to invest in information communication technologies for their businesses. Further, the country has also experienced liquidity challenges and hence it was difficult for businesses enterprises, including tour operators, to access funding for their operations. This helps to explain why lack of finance came up as the second significant deterrent for tour operators in adopting information communication technologies. Lack of finance and the related costs of funds further help to explain the limited adoption and use of information communication technologies by a large number of tour operators in the country. For example, monthly charges of internet connectivity for small businesses in the country currently range between $50-100 depending on the type of service the enterprises need. This is a cost that a number of the SMEs in the country struggle to meet, given the level of business that they currently generate.

The respondents further indicated that the following variables were not major deterrents to information communication technologies adoption in their operations: lack of trained and knowledgeable staff; difficulties in integrating new systems; lack of appropriate technologies; lack of confidence on information communication technologies benefits and security concerns. The outcome reflected a number of characteristics of the Zimbabwean tour operators. The operators were not concerned about lack of trained and knowledgeable staff as a deterrent to information communication adoption because the majority of them had not included information communication technologies as part of their business strategy. The issue of lack of trained and knowledgeable staff was therefore not a key consideration.

The fact that information communication usage was low within the sector meant that the issue of integrating new and old systems did not arise as a deterrent to ICTs adoption. The numbers of the tour operators who were adopting information communication technologies in their enterprises were doing it for the first time and hence, they did not face the challenge
of systems integration. Further, lack of confidence in the benefits of information communication technologies was clearly not seen as a deterrent to information communication technologies’ adoption as most of the respondents had already indicated that they regarded information communication technologies as a key variable for their future business operations. Finally, lack of appropriate technologies was not perceived as a deterrent to information communication technologies’ adoption mainly because these technologies had been available in the country for a long time. This point was reiterated by key respondents who indicated that the country had since 1980, been able to source different types of ICTs when they became available on the international market.

It is important to point out that some of the views expressed by the respondents regarding certain variables being deterrents or not to adoption of information communication technologies, need to be viewed from the perspective in which the respondents were operating their businesses. Contrary to responses of the Zimbabwean tour operators, Karanasios (2007) in his study of tour operators in Ecuador, pointed out that lack of skilled ICT trained and skilled personnel was a major deterrent to adoption of information communication technologies by tour operators. Further, Waema and Katau (2013) in their study in Kenya argued that lack of information communication technologies skilled personnel was a major challenge to operators in the tourism sector because information communication technologies were constantly changing and hence enterprises were going to find it difficult to cope with the constant changes. Similarly, in countries where information communication technologies have become a normal part of business operations, lack of trained and knowledgeable staff is a key determinant of ICT adoption by companies (Gruescu et al, 2009).
In most countries security concerns are determining how far and what type of information communication technologies a company can employ in its business operations. Cyber crime has become a major concern for both the private and public sector in recent years. For example, the digital security firm Gartner (2014) estimated that in 2013 a total of US$167 billion was spent on information security globally (The Economist; 2014:2), with the hospitality industry spending a total of US$120 million during the same year. The same reports highlighted the growth of cyber crime in retail and service sectors including tourism where customer credit and debit cards information are prone to be hacked by cyber criminals. Given the current global proliferation of cyber crime, the low rating of security risk management by the respondents was indicative of how far backward the country’s tour operators were still in appreciating the basic fundamentals of information communication technologies. The findings from the study were therefore an additional indicator of the paucity of knowledge of the country’s tour operators about the role of information communication technologies in business operations.

6.10 ICT internal usage

The respondents were asked to consider and rank the following variables: generation of internal reports, management of database, market intelligence database, interdepartmental communication and security and risk management. The findings revealed that the primary internal usage of information communication technologies by tour operators were the generation of internal reports and inter-departmental communication. The two variables had mean ratings of 4.20 and 4.1 (Table 5.22). The other significant internal applications of information communication technologies were for market intelligence database and the management database, with mean ratings of 4.06 and 3.98 respectively.
However, the ranking of market intelligence database as the third significant variable was symptomatic of the challenges that the country’s tour operators had on the general application of information communication technologies in their operations. Currently, data analytics is a major component of businesses activity including those in the tourism industry. Business performance and viability, especially in the service industry, is highly dependent on the quality of data and market intelligence that the business is able to gather and consolidate (Euronomitor, 2014). Market intelligence database is the cornerstone for market segmentation and targeting of customers. Therefore, the ranking of this variable as third in importance out of the five that the respondents were considering, showed lack of understanding of the power of market intelligence in driving business performance. The problem was highlighted by the key respondents who pointed out that the majority of tours operating managers were devoid of ICT vision for their enterprises. This general management orientation seemed to have led to a position whereby companies were not aware of the importance of market intelligence for business sustainability. Further, the fact that database management was ranked fourth out of the five variables showed that the country’s tour operators still had a long way to go in appreciating the importance of information communication technologies as a key tool for business operations. For example internationally, tour operators were treating their databases as a key asset because it enabled them to effectively interact with their current customers and potential clients through a range of customer relationship management systems (www.sagepub.com).

The least significant internal application of information communication technologies was for security and risk management which had a mean of 3.5 out of five variables. The downgrading of security and risk management as a key internal use of information communication technologies was surprising as it had a direct impact on the overall well-being of any business. The finding was indicative of the low level usage of ICTs by the
country’s tour operators as well as a general lack of understanding of the strategic role that information communication technologies were playing internationally in business operations. In most businesses both in Zimbabwe and overseas, security and risk management were key variables in the use of information communication technologies, (Tourism Australia, 2014 and the Economist, 2014). The low ranking of this variable by tour operators clearly, showed their lack of understanding of the strategic importance of role that information communication technologies play in business operations.

6.11 ICTs external use

In order to establish the extent of external usage of information communication technologies, the respondents were asked to consider and rank the following variables:

- providing information to customers;
- distribution of company tour packages and other products;
- advertising company products;
- networking with suppliers and partners;
- e-commerce activities; and
- receiving payments from clients.

The respondents indicated that the primary external usage of information communication technologies was for the distribution of company tour packages. The variable had a mean rating of 4.54 (Table 5.23). Given the relatively low standard deviation of 0.828 on the variable, the results showed that there was overall consensus by the respondents on the use of information communication technologies for product distribution. Evidence from the website evaluation confirmed the assessment by the respondents. The majority of the websites showcased a variety of tour packages that each tour operator sold and therefore the websites were used as a key tool for product distribution. The finding concurred with those of Karanasios (2007) in Ecuador who reported that information communication technologies
were used by tour operators to distribute information on the services they offered. Similar findings were reported by Verhaes et al. (2007) in South Africa.

However, the effectiveness of using the websites for the distribution of tour operators’ holiday packages was marred by the poor quality of the majority of the websites. In general, tourists were wary of the information they obtained from websites because of the proliferation of bogus operators. The tourists’ suspicion was heightened when dealing with websites of tour operators based in developing countries (Wiig, 2005). Hence the poor quality of the websites of the country’s tour operators meant that potential customers were reluctant to use those portals as creditable sources of information for making decisions to purchase holiday packages to the country. They therefore, preferred to use the websites of source-market tour operators whose brand they trusted. User friendliness of websites was a key element in the successful utilization of websites for e-commerce in tourism (Hojeghan and Esfangareh, 2011). The problem of effectively using the websites for product distribution by the country’s tour operators was exacerbated by the constant interruption of electricity supply which resulted in lack of internet connectivity. The websites were therefore often “down” and hence potential clients were not able to fully utilize them as a source of information to assist them in making holiday purchase decisions.

There was a huge disparity in quality, functionality and accessibility of the websites of the few big tour operating enterprises and those of the rest of the businesses in the country. The disparity was reflected in the number of visitors that accessed these platforms in any given period. For example in the month of October 2015, one major tour operator in Victoria Falls registered a total of 4422 likes on its Facebook platform, whilst a small operator in the same area registered a total of 269 likes on its website during the same month. The paucity of traffic flows to the virtual platforms of the country’s tour operators meant that, their products
did not reach the intended customers which in turn resulted in limited sales being generated through these platforms.

The limited understanding of the role of information communication technologies in bringing incremental business to the company was shown by the lack of linkages of the tour operators’ websites to key international holiday booking platforms. For example of the one hundred and forty one companies that were listed on the specialist safari selling website, www.safaribookings.com in November 2015, only 19 were Zimbabwean based tour operators. The rest of the companies were tour operators based in source markets like South Africa, Britain and the United States of America who were offering safari tours to Zimbabwe. Potential clients planning to visit the country were therefore most likely going to purchase their holidays from the foreign companies more than from the Zimbabwe tour operators due to their absence on creditable international holiday portals. Therefore, although the tour operators ranked distribution of company tour packages as the number one external use of information communication technologies in reality, the operators were still at a very rudimentary level of using ICTs for effective distribution of their holiday products. This issue was noted by the key respondents who pointed out that the country’s tour operators were not yet taking information communication technologies seriously as part of their business strategy.

The second rated external usage of information communication technologies by the tour operators was for providing general holiday information to customers, with a mean rating of 4.43. The variable also had a relatively low standard deviation of 0.854, showing that there was a significant coherence on the respondents with regard to their views of the importance of information communication technologies for providing information to customers. The rating of this variable by the respondents is in concordat with the current buying behaviour
of international tourists. For example, publication by Euronomitor (2014:31) showed that 87% international travellers use the internet to search for information for planning their holidays, that 45% look for travel ideas on the internet and that 31% watch travel videos posted on different platforms. It was however, not clear whether the rating observed was a result of the respondents’ full understanding of international buying behaviour or that it was a result of a general perception of what they believed should be the main use of their information communication technologies. This observation emanated from the comments and observations of the key respondents who were all very categorical on the tour operators’ lack of understanding of international travel trends. This view was summarized by respondent R23 who said,

“Today’s business is driven by knowledge. Our tour operators need to offer holiday packages that the market is looking for and they need to be fully informed of what is happening in the tourism industry internationally. They cannot simply ignore market research and hope to have a future in this industry”.

The respondents indicated that the third significant external usage of information communication technologies was for advertising company products. The variable had a mean rating of 4.20 and a standard deviation of 0.991. Similar findings were reported by Verhaes et al (2007:177) in their study of South African tour operators where 97% of the respondents indicated that they used information communication technologies for advertising their products and services. The use of the virtual platforms for advertising the tour operators’ products was important because advertising the products on the websites and social media like facebook and twitter had a long shelf-life when compared to advertising in the print media. For example, advertisements that appeared in daily newspapers often last for one day and hence the impact on the potential clients would be fairly minimal.
The challenge that the country’s tour operators faced in using the virtual platforms for advertising their holiday products, was lack of updates on both the products as well as the prices for different products. It was observed during the field study that a number of companies had products on their websites that were different from those in their physical brochures and that price changes that had been made on the physical brochure, had not been effected on the products on the websites. The lack of up-to-date product prices on the websites, reduced the credibility of the tour operators’ websites in the eyes of the potential customers.

Networking with suppliers and partners was indicated as another main external use of information communication technologies by the respondents. The variable had a mean rating of 4.25 and a standard deviation of 0.758. The result was not a surprising outcome because the majority of tour operators’ local principals were communicating through e-platforms. International partners of the tour operators, for example, had also adopted information communication technologies as their first choice form of communicating with business partners. Therefore, the country’s tour operators had no option but to install some form of information communication technologies in their organizations in order to be able to interface with suppliers and partners.

However, the ability to effectively network with both the local and international partners has been compromised by the tour operators’ inability to purchase and install modern information communication technologies hardware and software due to financial challenges that the majority of them are experiencing. For example, a number of the small tour operators are still using Microsoft Office Word 2003 whilst their suppliers and partners have migrated to Microsoft Office Word 2010. The differences in the types of software used resulted in communication challenges between the tour operators and their partners and
therefore limited the level of business being transacted between the local tour operators and their partners. The challenge has encouraged local suppliers in the industry to prefer dealing more with regional and international tour operators for inbound business. The local tour operators will therefore need to improve their utilization of information communication technologies or risk losing their market share of international tourism to regional and international operators in the long term.

The least significant external uses of information communication technologies were for e-commerce activities and receiving payments from clients, and these had mean ratings of 3.43 and 3.58 respectively. The two uses were further characterized by very high standard deviations of 1.133 and 1.319 respectively, showing a strong lack of coherence of the rating of the variable between the respondents. The outcome was contradictory to global trends in the adoption and use of information communication technologies in business operations whereby e-commerce activities and receiving payments from clients were the core uses of ICTs (Buhalis et al., 2011). The findings clearly demonstrated that the majority of the country’s tour operators were still at level 2 of technology adoption ladder model as propounded by Martin and Matlay (2001). The current state of technology adoption by tour operators in Zimbabwe is far below that of tour operators in Tanzania where Runevad and Olofsson (2014:48) reported that 45% of the respondents of their study had reached level 3 of the adoption ladder, whereby they were practicing e-commerce. The outcome of the study however, highlighted the shortcomings of the technology adoption ladder model in that a large number of the tour operators in the country had not gone beyond just establishing a simple website. There was no significant progression to the next stage of technology adoption as propounded by the model.
The study indicated that adoption of information communication technologies by the country’s tour operators had been influenced by a number of variables, which included among others; lack of finance, costs of ICT connectivity, inconsistent power supply and attitude of senior managers towards the use of information communication technologies in business management. Similar observations were made by Mpofu et al (2011), in the case of South African SMEs in tourism and Shemi (2013) in the case of SMEs in tourism in Botswana.

Further, it is important to point out that whilst 77% of the respondents had websites, the lack of e-commerce on these websites meant that customers had to find other ways of paying for the services they would have booked from the tour operators. Findings from the websites’ observations showed that the majority of the tour operators gave potential customers their banking details and requested them to make telegraphic transfers through their own banks to pay for the holiday products. This was an uncompetitive and old fashioned way of transacting business which the present tourists were not willing to tolerate. Gruescu et al (2009: 94) argued that information communication technologies solutions helped to increase business efficiency and reduced the cost of doing business. Similar views were expressed by Ashari et al (2014), who noted that companies needed to use information communication technologies for tactical purposes in their daily activities. The general challenge of lack of sophistication of the tour operators’ websites was aptly summed by respondent R3 who had this to say:

“These websites are nothing but poorly designed brochures. One of the major problems is that senior managers have limited vision on the strategic importance of ICTs and therefore do not advocate for appropriate levels of investments in these technologies”.

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The implications of this finding was that the Zimbabwean tour operators will continually lose business to principals who have put in place online payment facilities because potential customers will find it easier to book and pay for the services needed directly with the principals using the online platforms. International customers are also more likely to use the services of source market tour operators, whose e-commerce platforms are advanced, thus further eroding the business base for the local tour operators. The long term outcome of the tour operators’ inability to prioritize e-commerce on their websites was summed up by respondent R1 who said:

“Our tour operators have a fixation with traditional product distribution system. If they do not fully embrace ICTs and the internet, they will die”.

It is therefore, essential for the country’s tour operators to digitalize all their business operations including among others; marketing and sales, human resource management and finance and accounting, if they are to attain long term sustainability.

6.12 Perceived and expected benefits of ICTs

In order to ascertain tour operators’ perceived benefits of the use of information communication technologies as well as the expected benefits of using ICTs in their future operations, the respondents were asked two questions. Firstly, the respondents were asked whether the majority of their sales were being generated through the internet on their respective websites. Secondly, the respondents were asked whether the internet was going to be their main product distribution channel in the future. Figures 6.1 and 6.2 below illustrate the responses given to the two questions.
The majority of the respondents (33%) were neutral on the first question indicating that most of their sales were generated through other channels of product distribution rather than the internet. Further, 36% (19.3%+16.9%) of the respondents were categorical that the internet did not generate the majority of their sales. Finally, only 31% (13.3%+18.1%) of the respondents generally agreed that the internet generated the majority of their sales. In essence, the respondents were of the view that there were no current clear benefits of using websites and the internet for driving sales for their businesses. However, figure 6.2 below shows a very different picture of the views of the respondents regarding the expected future use of the internet for distribution of their products.
Figure 6.2: Expected benefits of use of ICT

The majority of the respondents (46%) agreed that the internet was going to be their main product distribution channel in the future. Overall, 76% (45.8% +30.1%) of the respondents were of the view that the internet was going to be their dominant product distribution channel in the future. Only 7% (3.6% +3.6%) of the respondents disagreed that in future the internet was going to be their dominant product distribution channel in the future.

The responses to the two questions showed a major gap between current perceived benefits of using information communication technologies in business operations and the anticipated future benefits of using information communication technologies. The respondents indicated that currently, websites and the internet were not their key sources of sales. They however, gave a clear indication that websites and the internet were going to be used in the future to generate sales. In general, the findings showed a positive attitude by the tour operators towards the adoption and use of information communication technologies in their business operations in the future.

The gap in the findings of the study gave credence to the core elements of the technology acceptance model (TAM) as propounded by Davis (1986). He argued that for enterprises to
adopt any given technology, it had to be convinced of its ‘Perceived Usefulness’ as well as its ‘Perceived Ease of Use’. The respondents indicated that they did not drive major sales through the use of information communication technologies. Essentially, tour operators were not generating much business through their websites because of their lack of technical ability to effectively use the internet. This reflected lack of ‘Perceived Ease of Use’ of information communication technologies. The uneasiness to use information communication technologies in the business operations emanated from the fact that the majority of tour operating managers had no clear vision on how to position information communication technologies in their business strategies. The challenge was compounded by the general reluctance of the managers to employ ICT skilled personnel in their companies. However, the tour operators showed a good grasp of the role that information communication technologies would play in future in their business operations. A majority of the respondents (76%) agreed that in future they were going to use the internet as their main product distribution channel. This is in line with the concept of ‘Perceived Usefulness’ of the TAM model.

However, given a number of challenges the sector faced, it will be essential for the government to intervene with a number of key policy and operational initiatives if the expressed aspirations of the tour operators are to be actualized. The major problems to be tackled were highlighted by respondent R11 who described the challenge as follows:

“Zimbabwean tour operators have lost the plot. They are not different from travel agents. They are mere middlemen without offering suppliers any value addition through the use of their ICT systems. The majority of them are not serious about what they are doing”.

It is therefore important to treat with caution the expressed desire by the country’s tour operators to adopt information communication technologies in their future business
operations. The majority of the companies are small family-run businesses. The willingness and ability to adopt information communication technologies in the business is dependent on the attitude of the owner. This is a common characteristic of SMEs in the tourism sector (Duff, 2010; Kilangi, 2012 and Demeke, 2014). The actual change towards adoption and effective use of information communication technologies may therefore take a longer period than the impression created by the responses from the tour operators covered in the survey.

6.13 Factors contributing to tour operator business failure

The high company mortality rate that was experienced by the tour operating sector in the country since independence in 1980, was a result of a multiplicity of factors. These included among others: the quality of senior managers; pricing models used by the companies; competition from South African tour operators; and the political instability that the country has experienced since 2000.

It was indicated above that the majority of senior managers in tour operations during the first two decades after independence, had limited academic background. A large number of them had risen through the organizational ranks as a result of experience accumulated over a long period of time working in the sector. Whilst they were good at the day-to-day running of the enterprises they lacked strategic thinking and had poor vision to guide the growth and development of the enterprises, they were entrusted to manage. Key respondents highlighted the fact that most of the enterprises employed poor and outdated management information systems. This resulted in management making decisions based on incorrect information which led long to term decline of the company. One of the major problems indicated by the key respondents was the managers’ lack of understanding of changes in global tourism market trends. The tour operators continued to offer holiday packages which the potential
clients were no longer searching for, hence the number of clients slowly declined which finally resulted in company closure.

Lack of understanding of changes in the characteristics of the potential customers and their products needs, resulted in a number of tour operating managers continuing using old pricing models. The pricing models were based on low volume high spending tourists. However, over time the country became a popular destination for a large component of low spending tourists who were price sensitive, for example the backpackers market. International tour operators were therefore reluctant to market the tour packages from the country’s tour operators whom they knew were too expensive for their own clients. They decided to either partner with South African tour operators or create their own holiday packages in direct partnership with principal product providers in the country. Either way, the country’s tour operators lost out on the business generated by the overseas tour operator who traditionally had been their main supplier of clients. The companies which did not react quickly to the market changes and adopt new pricing models, became irrelevant in the tourism value chain and hence ran out of business.

Zimbabwean tour operators found it difficult to compete with South African tour operators that were offering the overseas markets holiday packages to Zimbabwe. The situation was exacerbated by migration of international airlines from Harare to Johannesburg in the mid 1990s. International tour operators found it convenient to partner with South African tour operators who were able to directly deal with the airlines that were bringing clients to Southern Africa. The country’s tour operators were therefore again marginalized in the tourism value chain with the resultant loss of business.

The respondents indicated that the majority of the tour operators were unable to offer customers comprehensive information about the country as a whole. They were therefore of
limited value to the main suppliers in the tourism industry. The point was aptly summed up by respondent R1 who said:

“The tour operators did not create value for stakeholders in the industry and therefore became irrelevant in the tourism value chain”.

The negative perception of the tour operators by respondents resulted in suppliers in the tourism industry preferring to partner more with regional and international tour operators in their business relationships. This led to the reduction of the ability of the local tour operators to increase their market share of the business.

The general decline of the country’s economy since 2000, resulted in a general decline of the quality of the country’s tourist products. Most companies in the tourism sector found it difficult to improve the overall quality of their products due to several challenges in the business environment. Both regional and international tour operators became very selective in terms of the tour operators they collaborated with in order to ensure product quality in their holiday packages. Hence, only tour operators with good international reputation were able to secure international partners to cooperate with when offering holiday packages to the country.

Finally, the political instability that the country experienced after the land reform programme of 2000, reduced the global popularity of Zimbabwe as a tourist destination. A number of tour operating companies were unable to put in place appropriate business strategies to operate in the challenging business environment and hence folded up.

6.14 Government policies and their impact on tour operators’ sustainability

The study findings (Figure 5.24) revealed a number of issues that the government needed to address so as to assist the long term sustainability of the tour operating enterprises in the country. These included the following:
• improvement of the macro business environment in the country;
• policy coordination;
• national ICTs policy;
• ICTs knowledge gap within the line ministry; and
• ICTs education programme for tourism stakeholders.

The broad consensus from the respondents was that the macroeconomic environment in the country was not conducive for business to flourish. Key negatives for doing business in the country highlighted, included inconsistent supply of water and electricity, poor transport infrastructure, government bureaucracy, inconsistent policies and corruption. It was indicated that these issues had a direct impact on the competitiveness of the country’s tour operators in carrying out their businesses.

The respondents indicated that lack of policy coordination at national level, resulted in tour operators being overburdened by a multiplicity of taxes. For example, tour operators who conducted water based activities like sun set cruises on the Zambezi and lake Kariba, were subjected to the following taxes:

• registration fee to the Ministry of Transport;
• lake tariff to the Lake Water Authority;
• tour Operators fee to the Zimbabwe Tourism Authority;
• 2% tourism levy to the Zimbabwe Tourism Authority;
• annual inspection fees to the Zimbabwe Tourism Authority and Water Authority;
• annual license fee to the Ministry of Local government though the relevant local authority;
• annual and daily park entry fees to the Parks and Wildlife Authority; and
• quarterly payments of taxes to ZIMRA.
The tour operators passed on these charges to the customers. These charges made their holiday packages uncompetitive compared to those being offered by regional and international tour operators. For example, in Kariba a two hour sunset cruise costs $35 on the Zimbabwean side whilst a similar sunset cruise costs only $10 on the Zambian side.

Whilst the respondents acknowledged the fact that the government had put in place a national ICTs policy, they decried a lack of implementation of the policy in the tourism sector. For example, the ICT policy statement (2014) on the tourism sector indicated that the government should:

- promote the establishment of an enabling environment for e-tourism and sustainable environmental management;
- facilitate integrated interactive ICT systems in the tourism sector;
- develop and continuously upgrade and update ICTs in the tourism sector; and
- promote, develop and use ICT applications in game reserves, conservancies and national parks so as not to disturb the natural environment and ecosystems.

The key respondents noted that very few of the above policy pronouncements had been implemented and that they had therefore not effectively encouraged tour operators to improve the use of information communication technologies in their business operations. A number of the key respondents blamed the government for tour operators’ lack of awareness of the adopting of information communication technologies in their enterprises. The respondents felt strongly that the government needed to come up with practical ICT awareness programmes for stakeholders in the tourism industry. This was summed up by respondent R3 who said:
“On the short term, the Ministry of Tourism and Hospitality Industry needed to implement an ICT catch up programme for tour operators using international best practice, maybe coping what was done in China. On the long term the ministry must roll out an ICT appreciation programme for the whole tourism industry”.

Discussions with respondents revealed a strong perception of ICTs knowledge gap within the cadres of the Ministry of Tourism and Hospitality Industry. It was argued that the knowledge gap contributed to the lack of effective guidance from the ministry on the adoption and use of information communication technologies by the tour operators in the country. In the final analysis, the key respondents advocated for the adoption of an ICT education programme by the Ministry of Tourism and Hospitality Industry. It was pointed out that this will go a long way in improving tourism stakeholders understanding of the role and importance of using information communication technologies in their enterprises.

6.15 Strategies for long term sustainability for tour operators’ enterprises

Findings from both the tour operator survey (Table 5.19) and key respondent interviews (Figure 5.23) indicated two broad areas that needed to be addressed in order for the tour operating enterprises to be sustainable in the long term. On the one hand, the government needs to improve the overall macroeconomic environment in the country. It needs to create a conducive business environment that encourages enterprises to flourish. On the other hand, the tour operators need to undergo a paradigm shift in their strategic thrust and operational approach to carrying out their businesses. They need to embrace the changes that have taken place in the international markets in terms of consumer behaviour and product distribution systems.

Tour operators in the country are burdened by a multiplicity of taxes from government which they have to pass on to the clients in their tour packages. This makes their product uncompetitive compared to overseas tour operators who are not subjected to the same
overheads. A review of the multiple taxes by the government will go a long way in assisting
the tour operators being competitive in their overall holiday product offerings to both the
domestic and the international tourists. Further, the government needs to encourage
international airlines to return to the country. This will help the country’s tour operators to
forge business partnerships with the airlines as well as with the source market tour operators.

The respondents highlighted the fact that a number of tour operating managers in the country
lacked knowledge of the tourism industry and had limited appreciation of the importance of
using information communication technologies in their business operations.

The government as well as the tourism umbrella organization, Zimbabwe Council for
Tourism, will need to develop and implement capacity building programmes for the majority
of the people managing tour operating companies so that they are fully conversant with the
nature and characteristics of the industry they are involved in. The stakeholders in the tour
operating industry cannot be internationally competitive if they do not have in-depth
knowledge about the sector as a whole.

Findings from the study indicated that most of the tour operators hardly undertook market
research in their operations. The lack of a research culture resulted in tour operators offering
holiday products and services that were no longer in demand and hence led to business
decline. Undertaking constant market research would help the tour operators to be creative
and innovative in their product offerings. Given the stiff competition that is prevalent in the
sector, failure to include research as part of the business strategy will lead to business demise
in the long term. Hand-in-hand with embracing research as part of their business strategy,
the tour operators need to offer more general information about the country’s overall tourist
attractions as well more detailed information about products that are offered by different
principals in the country. Potential tourists look up to the tour operators as the core
depositaries of information about the destination they sell and therefore expect them to offer information about the country that transcends the narrow confines of their specific holiday packages. In order to meet information needs of the potential customers, the tour operators in the country need to collaborate more with other stakeholders in the country like hotels, the national tourist authority and national and international airlines.

Findings from the website evaluation clearly showed that the majority of the tour operators’ websites were very poor in a number of attributes which included among others; navigability, interactivity, design and aesthetic outlook, functionality and the overall quality information offered. The poor quality of the websites undersold the holiday packages that tour operators promoted. The poor websites reduced customer credibility of the country’s tour operators and their products. This situation inhibited the companies’ ability to grow their brands in the virtual market place.

Tourists are exposed to an overwhelming number of websites on tourism products from different destinations. A substantial number of these websites have proved to be bogus. Websites credibility is a major challenge for businesses operating in developing countries. Wiig (2005) points out that there is a general lack of information provided by third world enterprises in the source markets due to a number of factors, for example lack of research skills. Zimbabwean tour operators have therefore to make substantial investment in information communication technologies in order to make their websites creditable and trustworthy in the minds of potential clients. The long term implication of the tour operators’ reluctance to invest in ICTs, was aptly summarized by respondent R2 who said:

“If our tour operators do not fully embrace ICTs, they will be of no relevance in the future”
The observation was very insightful because internationally, the tourism industry is being driven by technology. At the same time both domestic and international tourists are depending more and more on information communication technologies for searching and purchasing of holiday packages. For the country’s tour operators to have a future in the tourism industry, they need to include information communication technologies as part of their business strategy.

6.15 Conclusion

The analysis and discussion of the study findings revealed that the characteristics of the Zimbabwean tour operators in terms of size and ownership, were similar to those of other tour operators in both the developed and developing countries. The analysis and discussion further showed that the tour operators sold a wide variety of products to both domestic and international markets. It was highlighted that there was limited specialization in markets served. The analysis and discussion further indicated that the adoption of information communication technologies by the tour operators mainly followed the TAM model. The drivers as well as the deterrents of information communication technologies adoption by the tour operators in the country, were similar to those found in other developing countries like Kenya, Botswana, Ecuador and Malaysia. It was shown that the majority of the tour operators in the country currently do not perceive major benefits of the use of information communication technologies in their business. The findings however indicated that tour operators viewed information communication technologies as key components of their future business operations. The analysis further highlighted the role the government needs to play in order to facilitate adoption and use of information communication technologies by tour operators. Finally, the analysis and discussion indicated the range of strategies that tour operators in the country need to adopt in order to achieve long term sustainability.
The next chapter will present conclusions and recommendations on the adoption and use of information communication technologies by the county’s tour operators.
CHAPTER 7

RECOMMENDATIONS AND CONCLUSIONS

7.0 Introduction

The aim of this study was to investigate the strategies that tour operators in Zimbabwe can adopt in order to improve their competitive advantage through the use of information communication technologies. This chapter outlines the overall conclusions on the findings of the study. It highlights the study’s objectives and shows how far these were achieved. The chapter then provides a set of recommendations which are aimed at both the tour operators and the government. The recommendations address the challenges identified in the study and are aimed at ensuring the long term sustainability of tour operating enterprises in the country through leveraging information communication technologies as part of their business strategy. Finally, the chapter recommends areas of further study which will contribute to the current body of knowledge on the adoption and use of information communication technologies by tourism stakeholders in the country including tour operators.

Recap on research objectives

The objectives of the study were outlined as follows:

1. to assess the extent to which Zimbabwean tour operators were still using the “traditional” tour operator business model;
2. to identify the factors limiting the adoption of information communication technologies by tour operators in Zimbabwe;
3. to develop an appropriate business model for Zimbabwe tour operating enterprises;
4. to recommend ways in which Zimbabwean tour operators can enhance their business performance and sustainability using an ICT based business model; and
5. to make policy recommendations to government that will encourage tourism enterprises to adopt information communication technologies in their business operations.

7.1 Conclusions

7.1.1 To assess the extent to which Zimbabwean tour operators were still using the “traditional” tour operator business model

The study concluded that tour operators were dependent on the old system of product distribution and that most of them did not include information communication technologies as part of their business strategy. The majority of the websites of the tour operators were not used for generating sales of holiday packages. The study also concluded that the country’s tour operators were being shunned by tourism stakeholders as business partners due to their lack of adoption of information communication technologies in their enterprises. The study indicated that the tour operators were losing potential business to South African and international tour operators because of their inability to use appropriate information communication technologies in their enterprises. It was also indicated that potential international customers were sourcing holiday information and purchasing their holidays through the internet and hence avoided tour operators who were not fully ICT compliant in their business operations as was the case with the country’s tour operators. The first objective of the study was therefore realised.

The study further concluded that although the tour operators were still using the ‘traditional’ product distribution model, they used a wide range of information communication technologies hardware and software in their operations. These included among others desktops, laptops, the internet, integrated servers, social media and global distribution systems. The sector has therefore a strong potential for meaningful use of information communication technologies in the future. This called for putting in place a number of
appropriate policies and programmes by the government to incentivise the tour operators to include information communication technologies as part of their business strategy.

7.1.2 To identify the factors limiting the adoption of information communication technologies by tour operators in Zimbabwe

The study concluded that the following factors were the main deterrents to adoption of information communication technologies by the country’s tour operators:

- cost of initial capital;
- lack of trained and knowledgeable staff;
- difficulty in integrating new systems;
- lack of appropriate technologies;
- lack of confidence in ICT benefits;
- security concerns;
- lack of finance;
- limited ICT infrastructure; and
- lack of government incentives.

The study further concluded that whilst the different enterprises were affected differently by the above factors in their adoption of information communication technologies, the most significant factors common to all the tour operators were cost of initial investment, lack of finance and lack of government incentives. In addition to the deterrents to adoption of information communication technologies, the study also conclude that the tour operators who adopted ICTs in their operations were driven mainly by customer demand, the need to be competitive and the need to meet the demands of trading partners, the majority of whom were conducting their business activities through the internet. The second objective of the study was therefore fulfilled with the study outcomes adding more value to the objective by
revealing the factors that encouraged tour operators to adopt information communication technologies in their enterprises.

7.1.3 To develop an appropriate business model for Zimbabwe tour operating enterprises

The study concluded that for tour operators to be sustainable business enterprises they needed to use a new business model. A bimodal holiday product distribution model was developed for use by tour operators. The model utilized two channels for product distribution: the source market tour operator’s distribution channels and the destination tour operators’ distribution channels. It advocated for the Zimbabwean tour operators retaining their traditional channel of product distribution through the source market tour operators. These tour operators have a better understanding of the holiday needs of potential customers, have better financial resources to market and promote the holiday packages and have multichannel product distribution platforms through which they sell their holiday packages.

The local tour operators’ second channel for product distribution was through effective utilization of information communication technologies. It entailed the tour operators using online platforms to distribute their products. The online platform involved the establishment of websites by tour operators which were linked to the internet and could be accessed by potential customers from different source markets globally. The model allowed the Zimbabwe’s tour operators to distribute their holiday packages directly to the source market customers through websites and other internet based portals and hence enabled them to compete directly with source market tour operators.

The model further gave the Zimbabwean tour operators the opportunity to create awareness of their own brands within the source markets and hence gradually develop brand trust through referrals from the customers they would have served.
7.1.4 To recommend ways in which Zimbabwean tour operators can enhance their business performance and sustainability using an ICT based business model

The study concluded that managers of tour operating enterprises had no clear vision on the role of ICTs in their operations. It further concluded that tour operating managers had limited knowledge about the utility of information communication technologies in business sustainability. The study therefore drew up appropriate recommendations to guide managers to include ICTs as part of their business strategy. The fourth objective of the study was therefore achieved.

7.1.5 To make policy recommendations to government that will encourage tourism enterprises to adopt information communication technologies in their business operations

The study concluded that government needed to address a wide range of issues that were negatively impacting on the sustainability of the tour operators’ businesses. The issues included the following:

- improvement of the macro business environment in the country;
- policy coordination;
- national ICTs policy;
- ICTs knowledge gap within the line ministry; and
- ICTs education programme for tourism stakeholders

The recommendations below address the areas that the government needs to pay close attention to, in order to encourage tour operators to adopt information communication technologies in their enterprises and at the same time help enhance their international competitiveness. The fifth objective of the study was therefore achieved.
7.2 **Recommendations**

7.2.1 **Improvement of the macroeconomic business environment**

The findings from the study revealed that the country’s tour operators were not competitive in their holiday product and service offerings regionally and internationally due to a wide range of cost drivers present in the operating environment. The Ministry of Tourism and Hospitality Industry needed to lobby government for the creation of an overall conducive business environment that would assist tour operating enterprises to flourish. For example, current interest rates for money borrowed from the banks which range between 12%-30% per annum is unaffordable to tour operators the majority of whom are small and medium enterprises. The Ministry of Tourism and Hospitality Industry should therefore engage the Ministry of Finance and be allocated funds to establish of a Tourism Revolving Fund from which tour operators can access investment funds that are priced at affordable rates in terms of interest rates and repayment periods. The revolving fund will enable the tourism stakeholders to borrow funds for investing in their businesses at affordable interests under conditions that are not punitive.

7.2.2 **Policy coordination**

Tour operators are confronted by a plethora of legislations and regulations which they have to comply with in their day- to- day operations. These regulations are implemented by different ministries the majority of whom, have very little appreciation of the tourism industry. The tour operators further face a multiplicity of statutory taxes and fees from different authorities in the country. The Ministry of Tourism and Hospitality Industry needs to lobby the Ministry of Finance and Economic Development to ensure that policies and regulations impacting on the tourism sector including tour operations are streamlined. The line ministry will need to lobby cabinet to the review the current taxes and statutory fees.
being levied on tour operators with a view of them being reduced, consolidated and collected through one ministry/statutory body. This type of business environment will enable tour operators to effectively plan their annual work and assures them of policy consistency including their financial statutory obligations.

7.2.3 Mainstreaming tourism in the national ICT policy

The components of tourism that are enshrined in the current national ICT policy are shallow and sketchy. It is essential that more robust and meaningful elements of the tourism industry are included in the national ICT policy. The Ministry of Tourism and Hospitality Industry needs to engage the tourism stakeholders and receive their views on the changes that need to be made to the country’s ICT policy which would assist the industry to adopt ICTs in their operations. These recommendations would then be transmitted to the Ministry Information Communication Technology, Postal and Courier Services by the MOTHI. The appropriate mainstreaming of the tourism sector in the national ICT policy would help to facilitate the establishment of statutory instruments that would incentivise tour operators to adopt information communication technologies in their operations. For example, the government can offer tax rebates to tour operators whose staff members would have attained set levels of ICT certification.

7.2.4 ICT education programmes for managers

The study revealed that the major challenge for tour operators in adopting information communication technologies in their businesses is lack of management vision to incorporate ICTs as part of their business strategy. This was a result of a lack of understanding of the global role that information communication technologies were playing in business management. The private sector tourism umbrella organization Zimbabwe Council for Tourism is hamstrung by lack of financial resources and personnel to implement an effective
training programme for tour operators’ managers in ICT. It is therefore recommended that the Ministry of Tourism and Hospitality Industry rolls out an education programme that targets middle and senior tour operating management staff. Evidence from literature and comments from the respondents of the study, all pointed to the fact that those at the helm of these enterprises can only adopt information communication technologies after they become aware of how these technologies can assist them in improving their business performance. Hence, it is essential that the line ministry operationalises the educational programme that will help managers in tour operations to acquire the necessary awareness of the crucial role that information communication technologies play in business management.

7.2.5 Lobbying for the return of international airlines to the country

The findings from the study indicated that local tour operators were being marginalized in the tourism value chain because they lacked international airline linkages. Reports from various sources in the tourism industry (ZTA, Civil Aviation Authority of Zimbabwe and Ministry of Tourism and Hospitality Industry) indicated that at the zenith of the tourism sector in 1999, the country hosted a total of 45 of international airlines with Harare being a strong competitive airline hub to Johannesburg. At present the country hosts only 13 international airlines hence, the preference of industry principals and international tour operators preferring to partner with South African tour operators who have direct links with a large pool of international airlines. Increase in the number of airlines flying to the country will help to improve the competitiveness of the country’s tour operators, as they will be able to include airline tickets in their holiday product offerings.

It is therefore recommended that the Ministry of Tourism and Hospitality Industry works closely with the ministries of Transport and Infrastructure Development and Foreign Affairs, to lobby for the return of international airlines to the country.
7.2.6 ICTs capacity building for officials of the Ministry of Tourism and Hospitality Industry

The respondents highlighted the fact that the majority of the officials in the line ministry had limited ICT skills and knowledge. It was argued that the officials were therefore not in a position to effectively conceptualize and implement programmes that were aimed at educating tour operators on ICTs. It is recommended that tailor made ICT courses for official in the Ministry of Tourism and Hospitality Industry be developed and implemented. The training will equip the officials with adequate understanding of ICTs and hence strengthen their leadership role in guiding the whole industry in the appreciation of the role of ICTs in business management. It was also suggested that some of the officials could be sent on short term exchange programmes to countries like Mauritius, Malaysia or China where the whole tourism industry is highly digitalized. This will give them the opportunity to learn how other countries have managed to assist their private sector to take on board the use of information communication technologies in their business operations.

7.2.7 Market research capacity building

The study showed that the majority of tour operators put together holiday packages without undertaking adequate market research. It further indicated that, most of the tour operators did not have knowledge about the product purchasing behaviour of potential tourists nor were they aware of the changing trends of tourist market segments. The inability to engage in research resulted in a number of tour operators folding up because there was a mismatch between the products being offered and what the new potential clients were looking for. It is recommended that the tourism umbrella organization, the Zimbabwe Council for Tourism, organizes a number of short courses to bridge the knowledge gap within the tour operators’ middle and senior management staff. The short courses should cover the following areas;
market research, trends in tourist purchase behaviour, principles of using websites as sales platforms and contractual arrangements with website designers. The knowledge will go a long way in creating a more in-depth understanding of the use of information communication technologies in the tour operators’ enterprises.

7.3 Areas of further research

7.3.1 Adoption and use of information communication by tourism companies in Zimbabwe.

The current study focused on the adoption and use of ICTs by tour operating companies in the country. Very little research has been undertaken on how far the whole tourism industry has embraced ICTs in its day-to-day operations. In order for the government to come up with appropriate solutions to the challenges that the tourism sector has been encountering, it will be essential to have appropriate data and information on the types of ICTs that are being used by tourism stakeholders and what impact they are having on the well-being of the different enterprises. It is therefore important that further research on the adoption and use of information communication technologies in the whole tourism sector is undertaken to address this knowledge-gap within the country.

7.3.2 Impact of the use of ICTs on the competitiveness of Zimbabwe as a tourist destination.

Research shows that no detailed study has been undertaken to find out the impact of use of ICTs and its lack thereof on the regional and international competitiveness of the country as a tourist destination. Given that the current tourist is one who is continually connected to the internet and is sourcing holiday information using different internet portals, it is critical for the country to understand the role that ICTs can contribute to its competitiveness as a holiday destination. The Zimbabwe Tourism Authority should therefore commission a study to find
out the impact of the use of information communication technologies on the competitiveness of Zimbabwe as a tourist destination.

7.3.3 Level of ICTs literacy of Zimbabwe’s tourism graduates

The country’s universities and other institutions of higher learning are annually producing a large number of tourism graduates. These cadres occupy middle management positions in the organizations that employ them. Some of them are able to climb the corporate ladder very quickly and often find themselves as hotel managers or tour operating managers. Their level of information communication technologies have a direct bearing on how quickly these enterprises adopt and use ICTs in their daily operations and the type and frequency of ICT training programmes that are implemented in the enterprises. Findings of the research on the topic will give the universities and institutions of higher learning in the country a guideline on how they can review their courses, with the aim of ensuring that when the students complete their four year studies, they are fully conversant with different ICTs and their strategic role in business management.
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APPENDIX 1: INTERVIEW GUIDE

UNIVERSITY OF ZIMBABWE

FACULTY OF COMMERCE

An investigation in the use of Information Communication Technologies (ICTs) by Zimbabwean Tour Operators

The main objective of this study is to assess the adoption of information communication technologies by tour operating companies in the country and to recommend a business model that will assist the enterprises to ensure long term sustainability. The study is being carried out for purely academic interest. The information you provide will be treated with the utmost confidentiality. The outcome of the study will benefit tour operating enterprises in the country, the tourism and hospitality industry as a whole, the government and tourism students in the country.

Section A: Demographic details

A1. Gender: Male □ Female □

A2. Please indicate how long you have been involved with the tourism industry.
1. 0-5 years □ 10 years □ 15 years □ 20 years □ 21 years & above □

A3. Please indicate your highest level of education attained.
1. O level □ diploma □ degree □ masters □ PhD □
A4. What is your current employment position?

1. Manager
2. Director
3. Chief Executive Officer
4. Other, Specify

Section B: Adoption of information communication technologies by tour operators.

B1. In your view are tourism stakeholders using ICTs in their business operations.

Probe for tour operators.

B2. From your experience how do you rate the general quality of the websites of tourism companies in the country?

Probe for tour operators.

B3. To what extent are tourism companies in the country using the internet to sell their products?

Probe for tour operators.

B4. What do you see as the main use of a tour operator’s website?
B5. From your experience do you think the tourism industry has been able to attract people with skills and knowledge of ICTs?

Section C: Future of tour operators in Zimbabwe.

C1. What changes have you witnessed in the use of ICTs in the industry since independence?

C2. In your view why have the tour operating companies like United Touring Company, Abercrombie and Kent, and Wild Ways have failed to stay in business for a long time?
C3. What do you think the country’s tour operators should do to ensure their long term sustainability?

C4. From your experience, what do you think needs to be done to encourage more tour operators to sell their products using the internet?

C5. How can the government encourage tour operators to increase the use of ICTs in their enterprises?

THANK YOU FOR YOUR TIME. Have a wonderful day.
APPENDIX 2: QUESTIONNAIRE

A Survey on the Use of Information Communication Technologies (ICTs) by Zimbabwe Tour Operators

My name is Shepherd Nyaruwata. I am a lecturer in Tourism, Leisure and Hospitality Studies at the University of Zimbabwe. The main objective of this study is to assess the adoption and use of information communication technologies by tour operating companies in the country and to recommend a business model that will assist the enterprises to ensure their long-term sustainability. The study is being carried out for purely academic interest. You are kindly being asked to answer the questions below. The information you provide will be treated with the utmost confidentiality. The name of your company will not be revealed in the report. The outcome of the study will benefit tour operating enterprises in the country, the tourism and hospitality industry as a whole, the government and tourism students in the country.

SECTION A: GENERAL INFORMATION ABOUT YOUR COMPANY

1. Location of your company’s head office
   - Harare
   - Victoria Falls
   - Other

2. Company ownership type
   - Family Owned
   - Shareholder Owned
   - Partnership Owned

3. Type of tour operator
   - Inbound
   - Outbound
   - Both
   - Other

4. Number of years in operation
   - Less than 5 years
   - 6 - 10 years
   - 11 - 15 years
   - 16 - 20 years
   - 21 years and above

5. Number of employees
   - 5 employees or less
   - 6 - 10 employees
   - 11 - 15 employees
   - 16 - 20 employees
   - 21 - 25 employees
   - More than 25 employees
6. Number of touring vehicles

- [ ] Less than 5 vehicles
- [ ] 6 - 10 vehicles
- [ ] 11 - 15 vehicles
- [ ] 16 - 20 vehicles
- [ ] 21 vehicles and above

7. Please select the equipment you use to serve the needs of your clients (Select all that apply)

- [ ] Cruise boats
- [ ] Canoes
- [ ] White-water rafting boats
- [ ] Helicopters
- [ ] Other

SECTION B: YOUR COMPANY PRODUCTS AND MARKETS

8. Please select from the list below the products and services that your company offers to tourists.

<table>
<thead>
<tr>
<th>Product/Service</th>
<th>Always</th>
<th>Sometimes</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Game viewing and sightseeing tours around Zimbabwe</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>Adventure tours: White-water rafting, bungee jumping, flight of the Angels</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>River and lake cruises</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>Canoeing safaris on the Zambezi</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>Cultural tours around Zimbabwe</td>
<td>[ ]</td>
<td>[ ]</td>
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</tr>
<tr>
<td>Conference and Incentive packages</td>
<td>[ ]</td>
<td>[ ]</td>
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<tr>
<td>Walkingsafaris</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>Weddings and honeymoon packages</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
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<tr>
<td>School trip packages</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
</tbody>
</table>

9. Other packages you offer include:

[Blank Space for Text]
10. The majority of your clients are
- Domestic
- Regional
- International

11. Please rank in order of importance the source markets for your international clients:

<table>
<thead>
<tr>
<th>Country</th>
<th>Unimportant</th>
<th>Low Importance</th>
<th>Neutral</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Britain</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Germany</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Rest of Europe</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Rest of Asia</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Australia</td>
<td></td>
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<tr>
<td>Canada</td>
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</tr>
</tbody>
</table>

12. Apart from the above source markets from which other countries do you get clients?

SECTION C: ADOPTION OF INFORMATION COMMUNICATION TECHNOLOGIES

13. How important is the use of ICT in your business operations?
- Very important
- Important
- Neutral
- Low importance
- Unimportant
14. To what extent do you agree that your operators must adopt ICTs in order to survive in their business? 

<table>
<thead>
<tr>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

15. Please tick from the table below the ICTs that are currently being used by your company.

<table>
<thead>
<tr>
<th>ICTs</th>
<th>Always</th>
<th>Sometimes</th>
<th>Neutral</th>
<th>Unimportant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desktops</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laptops</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>The Internet</td>
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<td></td>
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</tr>
<tr>
<td>Integrated Server</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td></td>
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<tr>
<td>Intranet</td>
<td></td>
<td></td>
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<tr>
<td>Social Media (e.g., Facebook)</td>
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</tr>
<tr>
<td>Skype</td>
<td></td>
<td></td>
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<tr>
<td>Global Distribution System (GDS)</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

16. If other, please specify.

[Blank space for other ICTs]

17. Please rank in order of importance the factors that encouraged your company to adopt ICTs.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Unimportant</th>
<th>Low Importance</th>
<th>Neutral</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading partners</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Customer demand</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Need to be competitive</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Easiness of integrating company systems</td>
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</tr>
<tr>
<td>Easy to use</td>
<td></td>
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<tr>
<td>Management vision and support</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Availability of cost-effective technology</td>
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</tr>
</tbody>
</table>
18. Please rank in order of importance the factors that have discouraged your company to fully adopt ICTs.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Unimportant</th>
<th>Low Importance</th>
<th>Neutral</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of initial investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of ICTs</td>
<td></td>
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</tr>
<tr>
<td>Lack of trained and knowledgeable staff</td>
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<tr>
<td>Difficulties in integrating new systems</td>
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<tr>
<td>Lack of appropriate technologies</td>
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<tr>
<td>Lack of confidence on ICT benefits</td>
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</tr>
<tr>
<td>Security concerns</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Lack of finance</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Limited ICT Infrastructure</td>
<td></td>
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<tr>
<td>Security and risk management</td>
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<tr>
<td>Lack of government incentives</td>
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</tbody>
</table>

19. Comment on other challenges that you believe discourage your operator to adopt ICT in Zimbabwe

SECTIONE: USE OF INFORMATION COMMUNICATION TECHNOLOGIES

20. Please rank your company’s internal use of ICT on each of the following areas.

<table>
<thead>
<tr>
<th>Area</th>
<th>Very Poor</th>
<th>Poor</th>
<th>Neutral</th>
<th>Good</th>
<th>Very Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation of internal reports</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management database</td>
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<tr>
<td>Market intelligence database</td>
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<td></td>
</tr>
<tr>
<td>Interdepartmental communication</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Security and risk management</td>
<td></td>
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</tr>
</tbody>
</table>
21. What other internal uses do you use ICT?

22. Please rank your company’s *external* use of ICTs oneach of the following areas.

<table>
<thead>
<tr>
<th>Activity</th>
<th>VeryPoor</th>
<th>Poor</th>
<th>Neutral</th>
<th>Good</th>
<th>Very Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing information to customers</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Distribution of company tour packages and other products</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising company products</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Networking with suppliers and partners</td>
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<td></td>
</tr>
<tr>
<td>E-commerce activities</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Receiving payments from clients</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

23. What other external uses do you use ICT?

24. To what extent do you agree with each of the following?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The majority of your sales are generated through the internet on your website.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>The internet is going to be your main product distribution channel in the future.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
25.
What do you think should be done to encourage more tour operators to use the internet for selling their services and products?

26.
Please provide any other comments that you feel will assist in developing policies and recommendations that will help tour operators to use ICT to ensure long-term sustainability of their businesses.

Thank you for your valuable cooperation