

*Full Length Research Paper*

# Internet success for the small and medium hospitality enterprise: Influence of the owner or manager

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Internet technologies have the potential to help small and medium enterprises (SMEs) enhance service quality, reduce costs, improve productivity, gain competitive advantage, and increase profitability. Empowered by technology, consumers are using the Internet as a tool to communicate and transact online. However, SMEs are noted for their limited usage of technological tools (for example, Internet technologies). This paper seeks to analyse the influential role of the small and medium hospitality enterprises (SMHEs) owners or managers and highlight factors which owners or managers must consider for improving success in the adoption of Internet technologies by the SMHEs. After considering the Internet adoption challenges, and Internet technologies available to the SMHE a decision making model which outlines three focus areas that the owners or manager must consider (owner or manager, organisational and customer or user) when making the decision to invest in Internet technologies was developed. A unique component of SMHEs revealed by the findings of this study, was the over whelming influence of owners or managers on SMHE business strategy. The influential role of the owner or manager has a considerable impact on whether SMHEs make the initial investment in ICT or the continued investment in Internet technologies that are relevant to the tourism sector. Whilst this study followed a primarily interpretivist research approach both qualitative and quantitative research methods were used, data was collected using questionnaires, interviews and observations.

**Key words:** Internet success, Internet technologies, tourism, small and medium hospitality enterprises.

## INTRODUCTION

The Internet is changing the tourism industry structure by altering barriers to entry, minimising switching costs, revolutionising distribution channels, and facilitating price transparency, while enhancing efficiency (Buhalis and Law, 2008; Xiang et al., 2008). Small and medium hospitality enterprises (SMHEs) that want to compete in the current tourism market must embrace ICTs, specifically websites as a tool for conducting business. The Internet has opened doors for SMHEs not only in local but also in international markets. Irvine and Anderson (2008) suggest that the Internet is well suited for small businesses as it allows them to keep their doors

open 24 hrs a day to customers all over the world at reasonably low costs. Ignoring or under-utilising Internet technologies creates a competitive disadvantage that may lead to an accelerated decline of the business (Buhalis, 1998; Murphy and Kielgast, 2008).

SMHEs are different from larger hotel establishments in terms of their small numbers, and the subsequent influence of a single person, the owner or manager (Loi, 2005; Zehrer, 2009). A distinguishing aspect of SMHEs is the influence of a single person, the owner or manager. Most management decisions within SMHEs are made by the owners or managers, whose management style and personality significantly affects the decision making process (Moriarty et al., 2008). Kollmann et al. (2009) discuss three factors that can influence the decision to adopt ICTs; strategic decision aids (will the ICTs support the owner or manager's strategic decision making

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processes), managerial productivity (the extent to which the ICTs will help improve productivity, internal communication, or provide better access to information) and the communication processes (how information relating to the ICTs is communicated).

It can therefore be deduced that the decision to use Internet technologies and identify new technologies which must be adopted by SMHEs is greatly influenced by the owner or manager. A vacuum exists in literature on the topic of how owners or managers reach the decision to use technologies or which technologies to invest in. In response, this paper analyses the adoption challenges, available technologies and seeks to understand different factors that must be considered by the owner or manager prior to investing in Internet technologies. The theoretical foundation of this paper analyses, the owner related Internet adoption challenges, as well as the Internet technologies which can be adopted by SMHEs and finally Internet success for the SMHE is discussed. An overview of the research methodology is presented, and the discussion of the findings leads to the development of a model that can be used to assist owners or managers to ensure that critical factors have been considered in the decision-making process prior to investing in Internet technologies.

## REVIEW OF RELATED LITERATURE

SMHEs have been slow to fully embrace the Internet wave, and therefore have to understand and select from a wide range of Internet technologies currently available. Certain challenges hamper SMHEs from fully realising the advantages that can be gained from using the Internet (Singh et al., 2010; Irvine and Anderson, 2008). In the case of SMHEs, most of the challenges experienced are not directly linked to the Internet as a technological tool, but are linked to environmental factors. Subsequently, the study introduces those ICT adoption challenges, associated with the owner or manager, facing SMHEs.

### Internet adoption challenges

SMHEs also exhibit the common characteristics of small and medium enterprises (SMEs) found across any business sector because they are classified as small enterprises.

The Internet is a fairly under-utilised arena for SMHE. The Internet creates major opportunities for SMHEs, but it can also present considerable challenges. Some Internet adoption challenges (relevant to SMHEs) that can influence the owner manager's decision such as: Enterprise attitudes, owner's attitudes, perceived risk, time, and lifestyle of owner or manager are outlined subsequently.

### *Enterprise attitudes*

The accommodation provision sector of the tourism industry is characterised by below-average company size, low growth rates, weak internalisation, relatively low market entry barriers, and relatively poor qualification levels (Zehrer, 2009). SMHEs are different from larger hotel establishments in terms of their small numbers, and the subsequent influence of a single person, the owner or manager (Loi, 2005; Zehrer, 2009). Vrana and Zafiroopoulos (2006) and Buhalis and Law (2008) agree that the characteristics of the organisation (which cannot be separated from those of the owner) sometimes have a negative influence on the ICT adoption decision. These characteristics may include:

1. Level of marketing expertise (Murphy and Kielgast, 2008),
2. Occupational background (Buhalis and Law, 2008),
3. Innovativeness (Vrana and Zafiroopoulos, 2006; Loi, 2005), and
4. ICT knowledge (Loi, 2005).

As many businesses tend to be followers rather than leaders in Internet adoption, Salwani et al. (2009) state that attitude is the most significant hindrance to Internet involvement in developing countries.

### *Owner's attitudes*

Perceived usefulness and perceived ease of use (Brown and Kaewkitipong, 2009; Kollmann et al., 2009) are technology related factors which influence the process of adopting, implementing, and using technology. If the owner or manager cannot clearly identify the benefits that can be derived by the business from using Internet technologies, then the chances that they will adopt that particular Internet technology are minimal. The selected Internet technologies must aid SMHEs' to meet their business objectives. It is equally important that the owner or manager is comfortable with using the selected technology as this will help improve the owner or manager's commitment (and inevitably the organisation's) to using the Internet technology.

### *Perceived risk*

SMHEs are classified as small businesses, and are characterised by a scarcity of capital (Murphy and Kielgast, 2008; Zehrer, 2009). The SMHE owner or manager who has limited ICT knowledge is faced with the decision of making an investment in IT from a very limited budget. Karadag et al. (2009) include perceived risk as another challenge. Will the investment in IT yield the desired results? They also link the inability to accurately

measure the benefits of IT investments as a possible aggravator of this perceived risk. Law and Bai (2008) simply state that the ultimate goal of setting up a business website is to make a profit. In the case of SMHEs using websites as an ICT solution, it is difficult to measure the direct impact the website will have on business profit.

### **Time**

Owner or managers consider implementing ICT in small organisations to be time consuming (Buhalis and Law, 2008; Irvine and Anderson, 2008) because SMHEs have a few staff members performing all necessary business activities (strategic planning, daily operation management, administrative tasks, and finance tasks). Moriarty et al. (2008) describe these owner or managers as generalists who undertake a wide range of business activities. The SMHE owner or manager is also involved in daily operational activities and will be challenged to find time to understand new technology applications. SMHEs tend to focus on short-term goals rather than long-term objectives due to time constraints (Moriarty et al., 2008). The size of the business often dictates its resource capacity.

### **Lifestyle choice of the owner or manager**

SMHEs are in many cases family owned, small businesses with a motive for involvement that relates more to lifestyle, location, and leisure preferences more than a desire for profit or financial security (Brooker and Burgess, 2008; Zehrer, 2009; Murphy and Kielgast, 2008). The managerial deficiencies as a result of this make it difficult for SMHEs to take advantage of the potential benefits from the use of ICTs and the Internet in particular (Murphy and Kielgast, 2008).

Schmallegger and Carson (2008) make the recommendation that in order to benefit from Internet usage, businesses need to learn about the various applications available. The SMHE owner or manager has to carefully select website tools and features that will captivate and entice prospective customers and lead them to a purchasing decision. The following section provides a summary of Internet technologies which can be easily adopted by SMHEs.

### **Relevant Internet technologies**

The SHME owner or manager will be faced with a difficult decision when selecting which Internet technologies are best suited to their business. Technologies which can be applied to the SMHEs context are discussed subsequently. The technologies mentioned are not

entirely exhaustive of all Internet technologies that can be applied to SMHEs; nonetheless, a few were identified based on the most commonly discussed in the literature reviewed.

### **Search engine marketing (SEM)**

According to Xiang et al. (2008), search engines are an important part not only for general use of the Internet, but also in a travel information search. The increase in the number of customers using SEM can be attributed to the improvement in search engine carrying capacity and speed of networks (Buhalis and Law, 2008). Murphy and Kielgast (2008) state that the SEM can be divided into two categories: Pay for performance (PFP) where the website pays for visibility (using links, advertising banners, sponsored links or buying 'words) and search engine optimisation (SEO) where the website's visibility is optimised by making technical adjustments (using keywords, meta-tags). The challenge with SEM is ensuring that the customer receives value from the service paid for, otherwise the SMHE owner or manager may lose confidence in the technology. The Internet has communities of people who interact on a daily basis; from these interactions word-of-mouth also surfaces on the Internet.

### **Electronic word-of-mouth (blogs)**

The increase in popularity of user generated content (UGC) and peer-to-peer applications collectively known as Web 2.0 or Travel 2.0 in the tourism context (Schmallegger and Carson, 2008), makes electronic word-of-mouth (E-Word of Mouth) possible. They elaborate further on the Travel 2.0 definition and state that it includes new technologies such as: media and content syndication (RSS-feeds), Mash-ups, AJAX, Tagging, Wikis, Web forums and message boards, customer ratings and evaluation systems, virtual community games, podcasts, blogs, and online videos (Vlogs). Due to the difference that exists between how SMHEs would like to represent themselves online and how customers conceptualise and describe their experiences, online communities, blogs, and social bookmarks (tags) provide a platform through which the customer's perceptions, images, and stories of their touristic experiences can be translated and shared (Xiang et al., 2008). Schmallegger and Carson (2008) argue that due to the perceived independence of the source of the message, travel blogs have become the most important source of information for travel planning.

The customer records experiences (positive and negative) related to the trip on this online journal, and other Internet users have a chance to engage in an online conversation with the blogger whilst responding to

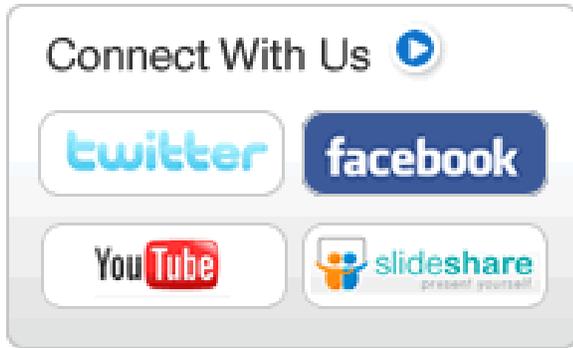


Figure 1. Social networking.

the blogger's messages. When these conversations have gone on for a long period of time relationships are formed in cyberspace, Chalkiti and Sigala (2008) recognise this phenomenon as the inception of virtual tourism communities. SMHEs invest in technologies anticipating a positive end result culminating in a booking from a prospective customer.

### **Online bookings**

The majority of hospitality providers use the Internet as an information center and a reservation medium (Hu et al., 2005). Law (2009) anticipates that the Internet will become a significant distribution channel for hospitality enterprise products.

### **Internet for communication (online queries)**

Irvine and Anderson (2008) advocate the importance of the Internet as a medium of communication which allows for relationship building with customers. Niininen et al. (2007) suggest two ways which can help to stimulate communication with consumers:

**User accounts:** By registering on the SMHE's website, and logging on to a personalised account customers can store their details and preferences, and their purchasing patterns or activities whilst using this account, can be tracked.

**Online surveys:** Incentives like discounts, loyalty points/rewards and prizes can be used to entice the consumers to complete an online survey.

Buhalis and Law (2008) state the Internet can also be used for:

**Customer profiling:** Allows for personalisation, customisation, and interaction between SMHEs and

customers.

**Customer complaints:** It is an effective mechanism for consumers to air their complaints. SMHEs have to be very careful about how this communication is managed because it can have both positive and negative consequences.

In order to achieve synchronous communication the customer has to be willing to part with some personal information. The current use of the Internet is already educating consumers that they can exchange information in return for better service, discounts, offer alerts, newsletters, and ease of service customisation (Niininen et al., 2007). Thus it is evident that using the Internet for communication offers a variety of methods and this communication can be extended to include the social networking platform.

### **Social networking**

With social networking the site exists only to create and serve those contributions and the user-generated content results in 'collective intelligence' (Warr, 2008). Examples of tourism specific social media applications (SMAs) are social guides such as WikiTravel and TripAdvisor (Warr, 2008). The SMA allows for customer to customer; customer to business and business to customer communication. Another Internet technology which can be used by an SMHE is media and content syndication which allows for website to website linking and transfer of information (Figure 1).

### **Media and content syndication (RSS)**

RSS feeds can be used in SMHE websites to link or display information which is frequently updated such as blog entries and news headlines from the websites that offer complementary services (for example, Tour operators, Restaurants). This can be helpful to SMHEs as they can keep their websites current by linking to other websites via RSS. For the SMHEs who would rather take a prudent approach when implementing Internet technologies, there are basic Internet based services which can be used to their advantage.

### **Internet-based services**

"Web 2.0 is an umbrella term for a number of new Internet services that are not necessarily closely related" (Warr, 2008: 591). Warr (2008) notes that the web page has evolved since the days it was constructed using only HTML markup and now embodies 'full software experiences' that enable interaction and immersion in innovative new ways. Chalkiti and Sigala (2008) note the

importance of the Internet as a tool that allows for interaction and communication irrespective of location, and mention the following services that can also be performed online: e-mail, texts (short messaging services), chats, forums, and fax to e-mail. These Internet technologies can be combined and made available through one website; alternatively SMHEs can choose those which will add the most value for their business. The next section reviews Internet success in the context of a SMHE.

### **Internet success for the small and medium hospitality enterprise**

The use of Internet technologies presents an opportunity for SMHE owners or managers to improve their business processes, and indirectly their profits. Implementing Internet solutions in an organisational environment that does not understand and can therefore not support them, could prove disastrous. The key components that must be considered by SMHEs prior to investing in internet technologies, can be grouped into three focus areas namely customer or user focus, organisational focus and the owner or manager focus.

#### ***Customer or user focus***

Internet technologies can be used as extension of the current business service offering. Three key factors namely; information quality, system quality, and service quality (Delone and McLean, 2004) will influence whether the customers use the adopted technologies. The customer's experience should form part of the owner or manager's decision making process.

Information provided to the customer must be accurate (for example, accommodation rates posted online must not differ from those given to 'walk-in' customers). The website must be regularly updated to ensure that information is accurate and up-to-date. Delone and McLean (2004) state that, customers will use the website if content is personalised, complete, relevant, easy to understand, and secure. Wen (2009), cautions that if travellers perceive information as inadequate or inaccurate, they will reduce their usage or avoid the website completely.

Various systems exist within an organisation. The Internet represents another type of information system within the SMHE. The website (e-commerce) of the organisation is also a system with inputs, processes and outputs. The quality of the system can influence the customer's intention to use and user satisfaction. Delone and McLean (2004) highlight four quality system attributes namely: usability, reliability, adaptability and response time.

Wen (2009) accepts a definition of service quality as the difference between what the customers feel should

be offered and what is actually provided. He further makes reference to five dimensions (based on an instrument derived by Parasuraman et al. (1988) of service quality: tangibles, reliability, responsiveness, assurance and empathy. Whether this support (for example, customer feedback received through the website must be logged and responded to) is provided internally or is outsourced to an external service provider it is a crucial component of the website.

#### ***Organisational focus***

Businesses are formed with goals/objectives that the owner is hoping to meet when delivering certain goods or services. Business objectives are grouped into three categories: strategic (Buhalis and Law, 2008; Quaddus and Achjari, 2005), tactical (Dube et al., 2007) and operational (Chiwere and Dick, 2008; Buhalis and Law, 2008). Developing a business strategy is important as it allows the owner or manager an opportunity to create a coordinated plan that ensures the efficient allocation of resources, provides direction for business operations, creates a shared understanding of challenges and goals and provides a clearly defined means of identifying and evaluating resources (Kyobe, 2008). Internet technologies can be used as a tool to support certain activities to help the business meet its objectives. The Five domains of IT governance (strategic alignment, value delivery, resource management, risk management, and performance measurement) identified by the Information Technology Governance Institute (ITGI, 2007) find applicability when aligning Internet technologies to SMHE business objectives.

#### ***Owner or manager focus***

Whilst the technological and customer or user driven components of ICT adoption are important, in the context of the SMHE the influence of the owner or manager is arguably the key factor for Internet success. The success of the Internet technologies implemented lies in the owner or managers' ability to not only identify these components but to also understand how they interact.

### **RESEARCH METHODOLOGY**

This study applied triangulation and follows an interpretivist's worldview, as most data methods used were qualitative. Both quantitative and qualitative data collection methods were identified. The quantitative approach involved the use of closed questions in the questionnaire, which acted as a foundational source of quantitative information. The qualitative approaches include semi-structured interviews and observation of respondents' websites. Where the methods overlap application of triangulation is found.

The following data collection strategies (Leech and Onwuegbuzie, 2010) were used in this study: mixture of open- and closed-ended items in a questionnaire, in-depth semi-structured

interviews, and confirmatory and less structured/exploratory observation. Subsequently, the study contains discussions on the research techniques, sampling methods used in this study.

### Sampling

The non-probability quota sampling technique was used for this study. Using this sampling method predefined characteristics namely: size (4 to 16 rooms) and area of operation (Buffalo City municipal area, Eastern Cape, South Africa) were identified. In order to arrive at the sample an invitation to attend a tourism workshop/information session was sent via email and SMS to the 225 SMHEs registered on the Buffalo City Tourism Board website. Fifty nine of the invited independently owned SMHEs confirmed attendance. An acceptable sample size for this study was a minimum of 20% of the contacted members. The final sample for this study totalled 40 SMHEs, which represents 18% of the members registered with the Buffalo City Tourism Board, and 68% of the members who attended the workshop.

### Questionnaires

The research instrument used to collect data was a questionnaire. The literature survey played a pivotal role in the formulation of the research instrument, the questions included in the questionnaire were grouped according to the three categories/contexts: technological, organisational, and environmental. A combination of closed and open-ended questions was included in the questionnaire.

### Semi-structured interviews

In order to gain more detail and insight into the SMHE environment, semi structured interviews were used to collect additional data. These informal interviews were conducted with several respondents at sampled organisations where the answer to question 34 (Has the business ever experienced any problems with prior ICT use?) of the questionnaire was affirmative.

### Observation

In order to validate the accuracy of the information provided by the respondents when responding to the technology related questions in the questionnaire, an observation of websites of the respondents was undertaken.

## FINDINGS AND RECCOMENDATIONS

Although the invitation to participate in the study was communicated to SMHEs in all areas of the Buffalo City Municipality, most responses came received from two areas: King Williams Town and East London, perhaps because of travelling logistics or other difficulties related to attending the workshop in East London. The participants were assured that the information they provided would be kept anonymous during the analysis stage of the study, therefore business names have been substituted with letters from A to AN. Specific responses to questions asked during the data collection stage of this study are summarised subsequently.

### Questionnaire findings

#### *How do SMHEs currently use the Internet to support their trade activities?*

The questionnaire findings revealed the following Internet technologies currently used by SMHEs: email, Internet banking, fax to email, online bookings, online payments, online database registration, and search engine listing. According to the questionnaire findings, over 60% of participating SMHEs have websites.

However, it was evident that a number of the relevant Internet technologies were yet to be explored by SMHEs. Internet technologies such as Search engine marketing, Electronic word-of-mouth (blogs), social networking, and media and content syndication (RSS) remain relatively unexploited.

#### *How important are the following when making decisions to invest in ICT?*

External factors to some extent have an influence on the decisions made by the SMHE owner or managers. This question addresses some of the common considerations identified by the authors of the literature reviewed. The responses summarised in Figure 2, show that owner or manager's own experience again is determined to be the most influential factor, with 95% of the respondents finding the owner's experience as important/very important when making ICT investment decisions. At least 78% of the respondents also found recommendations made by ICT companies as important/very important. Eighty three percent classified Laws and Government as important/very important, and what their competitors were doing as important/very important to 76% of the respondents. Customer needs are important/very important in the case of 90% of the SMHEs. Eighty eight percent of the responses showed that it was important to consider the staff's ICT capabilities, as well as affordability prior to investing in ICT.

#### *Indicate the extent to which you agree or disagree with the following statements?*

Figure 3 shows a general consensus on the importance of issues such as planning, strategy, active involvement in business, and having a clear business direction. With 93% of the SMHE owner or managers agreeing or strongly agreeing to the statement that ICT is a part of the business strategy, the lower adoption rate of Internet technologies is uncharacteristic. If the owner or managers understand the contribution ICTs can make to their businesses, the slow pace at which SMHEs are adopting Internet technologies must be attributable to other factors.

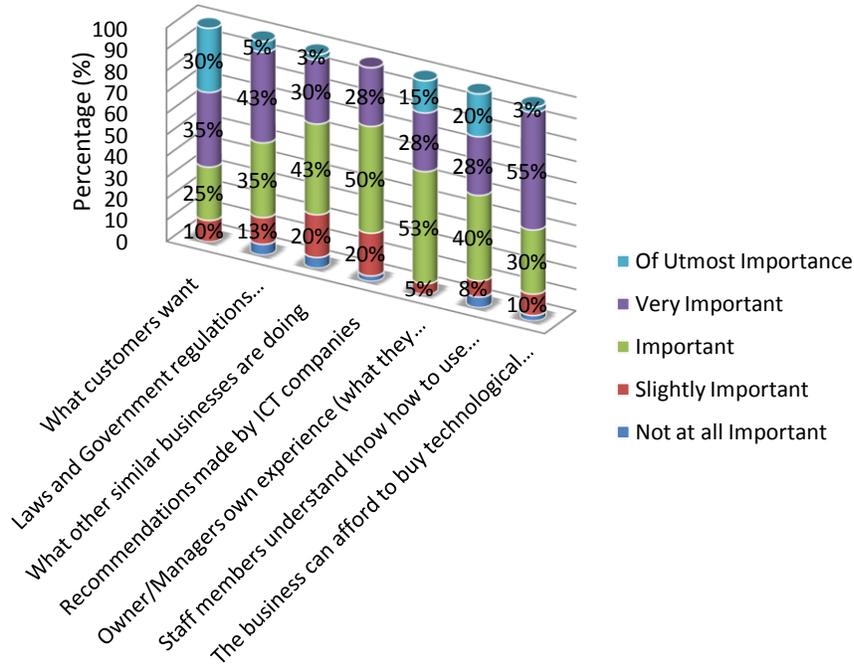


Figure 2. Environmental external influencing factors.

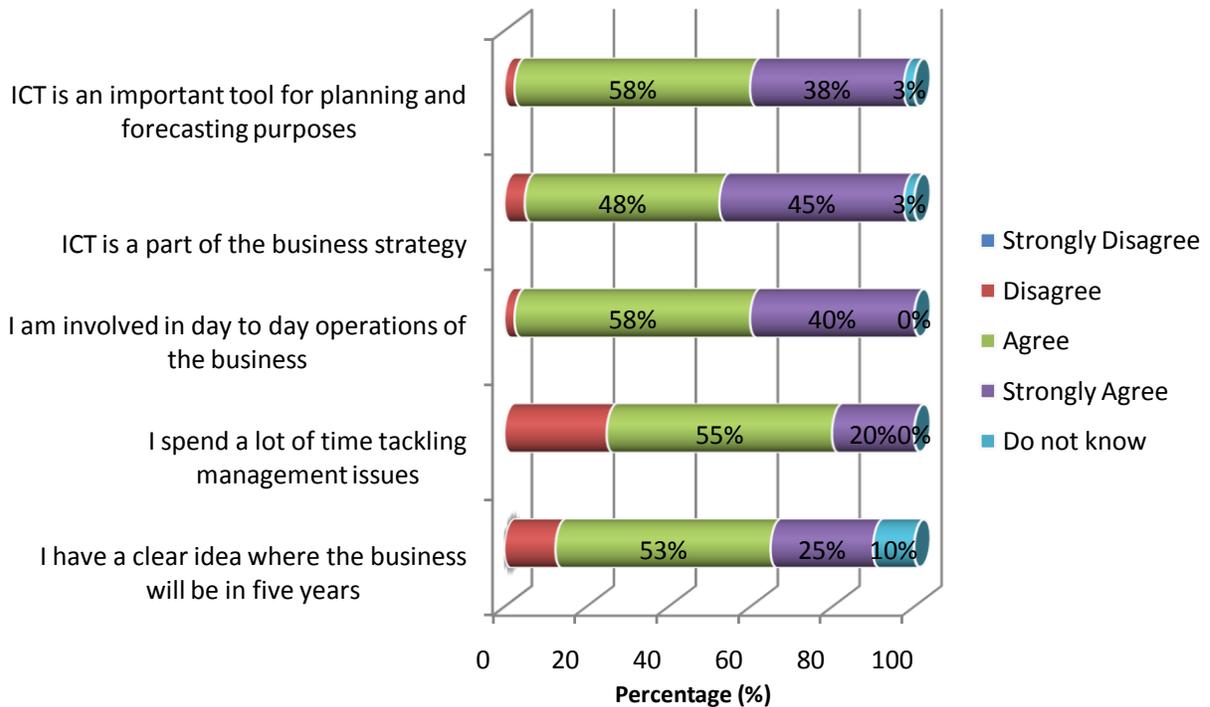


Figure 3. Organisational context influencing factors.

**Interview findings**

Semi structured interviews focused on discussing

problems experienced with prior or current ICT use and how these problems may influence current ICT investment decisions. In response to the question “Has

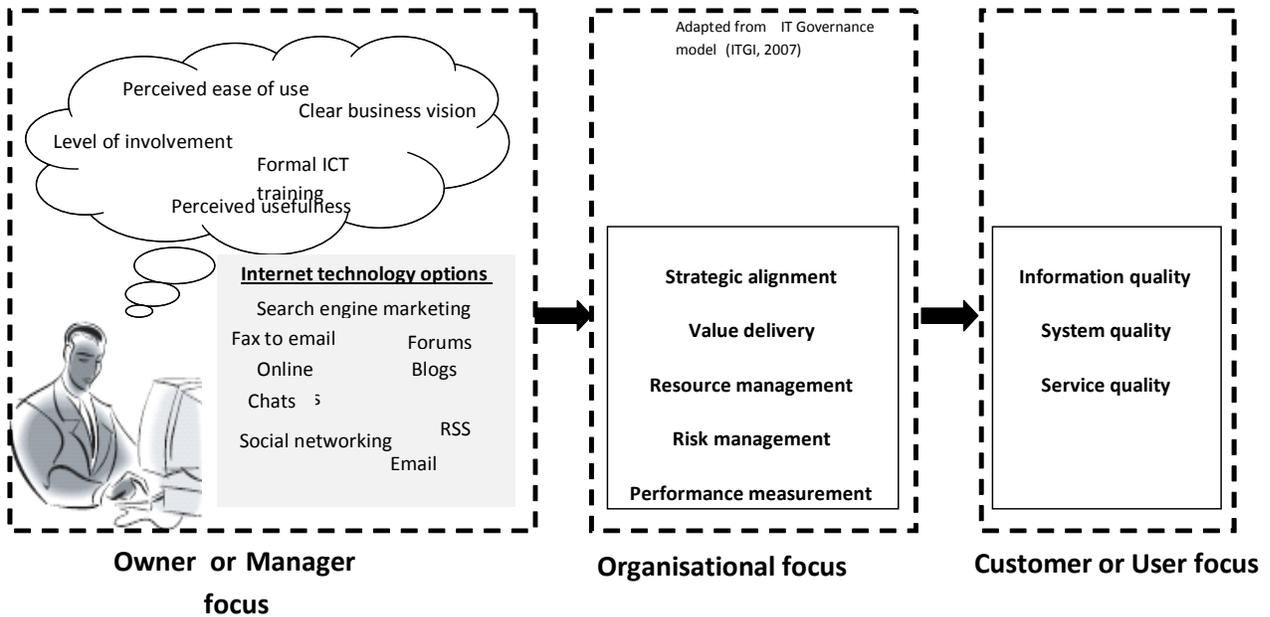


Figure 4. ICT adoption decision making model.

the business ever experienced problems with prior ICT use?" The following responses were noted: (i) general faults (for example, fax or copier not working), (ii) poor Internet connectivity, and poor service responses when problems occur from the service providers, (iii) poor satellite television signal, (iv) viruses, and (v) sluggish dial up connections.

Of the participants of the study, 50% stated that they had experienced the problems summarised above, but none of these had influenced the owner manager's decision to invest in ICT. The most common problem identified was connectivity. A small percentage (10%) of the respondents referred to viruses as another ICT problem, but half of these had no antivirus programs installed on their computers.

When asked to suggest other challenges not directly related to problems experienced, the following responses were provided: finances, security, limited ICT knowledge, time, staff computer literacy, and lack of full time staff member to support ICT initiatives. 30% of the respondents mentioned finances, as a possible hindrance to ICT adoption, whereas a smaller percentage (15%) mentioned security concerns while performing online banking activities. Other challenges worth noting although they were mentioned by less than 10% of the respondents include: lack of knowledge by the owner or managers, staff computer literacy, and limited number of staff to manage ICT resources (for example, online reservations).

### Observation findings

Most of the SMHEs that had websites had not fully

explored the various technologies that could be featured on their respective websites. Since the owner or managers took the initiative and made the financial commitment to purchase a website, perhaps the lack of more current technologies on the SMHEs' websites was influenced by the service provider (intermediaries) who designed the website. Where the SMHE owner or managers have very limited knowledge about the workings of the Internet, they depend on the service provider to give guidance on available technologies.

We discovered that SMHE were currently supporting their trade activities primarily via; fax to email, email, Internet banking, and to a lesser extent online bookings, online payments, online database registration and search engine listing. The findings from the survey showed that respondents used the Internet extensively for the Internet-based services (for example, fax to email, email) but not the newer Internet technologies (for example, social networking). On the other hand, our interviews revealed that, although an SMHE's owner or manager experienced certain technology related challenges, these did not affect their ICT investment decision(s). The findings of this study led to the model summarised in Figure 4, depicting the areas to be considered by SMHE owners or managers which can help improve the probability of success when selecting Internet technologies.

The decision to invest in Internet technologies in SMHEs is normally made by the owner or manager. Our findings clearly indicate that only a small percentage of SMHEs maximise their use of Internet technologies. The ICT adoption decision making model is based on the findings which show that in the context of SMHEs the owner or manager's choice of technology will influence

whether the ICT investment results in value being added to the business. This paper contends that the owner or manager's influence on the technology chosen has a significant impact on the long-term success of Internet technologies implemented by SMHEs. The proposed model depicts a sequential relationship between factors which influence the owner or managers' decision, the organisational impact of this decision, and the customer's experience when using the Internet technology. Before deciding to invest in Internet technologies, SMHE owner or managers are advised to consider the factors highlighted in the model, in order to choose the technologies most suited to their business and make the most of their investment.

### **Phase 1: Owner or manager focus**

The model shows five influencers of owner or manager opinion namely: perceived ease of use, perceived usefulness, formal ICT training, level of involvement, and clear business vision. SMHE owner or managers must acknowledge that these influencing factors exist and have a direct impact on the strategic direction of their business. The perceptions of the owners or managers, based on their experiences using technology and how much value will be added to the business if technology is used, are vital in the adoption of ICTs. An owner or manager who finds using Internet technologies relatively easy, is involved with the running of the business, has some ICT training, and a clear business vision will most likely choose to invest in technology. Several Internet technologies can be applied to the SMHE context, but the choice of which is most suitable should be made only once the factors in Phase 2 and Phase 3 of decision making have also been considered.

### **Phase 2: Organisational focus**

The considerations for this phase are best summarised in the following set of questions:

1. Is this Internet technology aligned to the overall objectives/goals of the business (Strategic alignment – ITGI, 2007)?
2. How will it add value to the business, or existing processes within the business (Value delivery – ITGI, 2007)?
3. Does the business have the necessary resources (computers, Internet access, or human resources) to implement/support the technologies or will additional resources (Resource management – ITGI, 2007)?
4. Which potential risks will the business be exposed to as a result of the chosen Internet technology (Risk management – ITGI, 2007)?
5. How will the impact be measured (Performance

measurement – ITGI, 2007)?

SMHEs that make decisions that do not match changing customer needs will experience strategic drift (Dwyer et al., 2009). Phase 3 identifies factors which will influence the customer's intention to use technology and customer or user satisfaction.

### **Phase 3: Customer or user focus**

**Information quality:** Information provided to the customer must be accurate (for example, accommodation rates posted online must not differ from those given to 'walk-in' customers). The website must be regularly updated to ensure that information is accurate and up-to-date.

**Systems quality:** The Internet has become an extension of the SMHE's service offering. An SMHE owner or manager must ensure that the quality of services offered via the Internet is of a high standard.

**Service quality:** The SMHE website is an additional platform which is used to extend business services to customer. The quality of customer experience received from interacting with the website must be of the same standard as that of customers who physically visit the SMHE premises.

## **CONCLUSIONS AND IMPLICATIONS**

Owner or manager influence must not be underestimated as this is a distinguishing factor for SMEs including SMHEs. The findings of this study show that the owners or managers themselves acknowledge the influence they exert over all business decisions taken. This study found that although some SMHEs have business websites, there is little diversity as far as Internet technologies are concerned on these websites. This could be attributable to two factors identified in this study; the low level of formal ICT skills of owners or managers, and SMHE owner or managers' dependency on the guidance of ICT vendors/intermediaries. It is recommended that SMHE owners or managers identify sources of current ICT information (for example tourism industry publications, tourism industry regulators) to ensure that they are aware of relevant technological developments. The ICT information will help decrease the level of dependency on intermediaries. Additionally, SMHE owners or managers have to invest in personal ICT up skilling for themselves, a better understanding of how these technologies work will lead to better decision making by the owners or managers.

Technology is constantly advancing and therefore evolving, and the owners or managers are faced with

challenging choices of technologies that purport to have a revolutionary effect on business profits. The model simply suggests that with any technological tool (for example Internet technologies) or gadget the owner manager must first identify what the business objectives are, and secondly answer this question: "Will this technology tool help the business meet the identified business objectives"?

In addition, the model proposes that in order to ensure that ICT value is optimised owners or managers have to recognise the influence they exert over the strategic alignment of the business. Value will be enjoyed from technology if IT strategy is aligned with business strategy. The owners or managers of SMHEs are the custodians of business strategy.

With the main objective of SMHEs being to provide a service for the customer, the model also refers to factors that will affect the customer's intention to use the technology and their user satisfaction. In a case when all components of the model are carefully considered prior to investing in technology, the impact will be added value to the organisation.

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