CHAPTER 7

RESEARCH FINDINGS

7.1   INTRODUCTION

The results of the empirical study are provided in this chapter in tabular format. The first part of the chapter presents all the demographic and business information (Section A of the questionnaire). In the next part all the problems, barriers and constraints to tourism entrepreneurs (Section B and C of the questionnaire) as researched, are being presented. The results of the reliability tests and factor analyses are also provided.

Results of the empirical findings are presented in such a way to make the interpretation of results easier and more understandable.

7.2   DEMOGRAPHIC INFORMATION

7.2.1 Demographic information of respondents

Section A of the questionnaire related inter alia to the demographic information of respondents and refers to the following:

- Gender;
- Ethnic group; and
- Age.

These three aspects are presented in Table 7.1 (page 202).

According to Table 7.1, 92 (50,00%) of the respondents were male, which is half of the respondents. White respondents dominated, with a total of 171 (92,93%). The majority (total of 49) of the respondents were between the age 40 to 49 (26,63%) followed by the age group 50 to 59 with a total of 44 (23,91%).

Table 7.1: Demographic profile of respondents

VARIABLE		FREQUENCY (n)	PERCENTAGE (%)
Gender:			
Male		92	50,00
Female		91	49,46
Did not respond		1	0,54
	Total	184	100,00
Ethnic group:			
Black		10	5,44
White		171	92,93
Indian		-	-
Coloured		2	1,09
Other		-	-
Did not respond		1	0,54
	Total	184	100,00
Age:			
Younger than 19		-	-
Between 20 - 29		6	3,26
Between 30 - 39		36	19,57
Between 40 - 49		49	26,63
Between 50 - 59		44	23,91
60 and older		26	14,13
Did not respond		23	12,50
	Total	184	100,00

7.2.2 Business information of respondents

Section A of the questionnaire also comprised the business information. The following were included:

- The year (and month) in which the business was started;
- The form of business;
- Where the business operates;
- The location of the business;
- The products and services that are rendered by the business;
- The main primary product/service that are rendered by the business;
- The annual turnover (sales) of the business;
- The number of full-time employees in the business; and
- The number of part-time employees in the business.

The business information of respondents is presented in Table 7.2.

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Table 7.2: Business information of respondents

VARIABLE	FREQUENCY (n)	PERCENTAGE (%)
Years in business:		
Less than 2 years	35	19,02
Between 2 - 5 years	52	28,26
Between 6 - 9 years	51	27,72
Between 10 - 19 years	29	15,76
20 and more years	13	7,07
Did not respond	4	2,17
Total	**184**	**100,00**
Form of business:		
Sole proprietorship	47	25,54
Partnership	8	4,35
Close Corporation	77	41,85
Company	46	25,00
Business Trust	4	2,17
Other	2	1,09
Total	**184**	**100,00**
Business operation:		
Urban area	147	79,89
Rural area	37	20,11
Total	**184**	**100,00**
Business location:		
Shopping centre	7	3,80
Formal shop	13	7,07
Private home	112	60,87
Pavement stand	2	1,09
Other*	50	27,17
Total	**184**	**100,00**
Products/services rendered:		
Accommodation	123	23,65
Food and beverage	80	15,39
Transport	56	10,77
Tour operator	62	11,92
Travel agent	34	6,54
Tour guide	30	5,77
Conservation/Wildlife	23	4,42
Shops/Retail	-	-
Conferences/Events/ Meetings	3	0,58
Art/Craft	60	11,54
Adventure/Recreation/ Entertainment	6	1,15
Other*	43	8,27
Total	**520**	**100,00**

Table 7.2 continues on the next page

Table 7.2 continued

VARIABLE	FREQUENCY (n)	PERCENTAGE (%)
Main primary product/ service:		
Accommodation	77	41,85
Food and beverage	2	1,09
Transport	11	5,98
Tour operator	36	19,56
Travel agent	24	13,04
Tour guide	2	1,09
Conservation/Wildlife	4	2,17
Shops/Retail	-	-
Conferences/Events/ Meetings	20	10,87
Art/Craft	-	-
Adventure/Recreation/ Entertainment	8	4,35
Other	-	-
Total	**184**	**100,00**
Annual turnover:		
Not exceeding R150 000 per annum	44	23,92
Between R150 000 and R1,0 million per annum	63	34,24
Between R1,0 million and R5,0 million per annum	41	22,28
More than R5,0 million per annum	24	13,04
Did not respond	12	6,52
Total	**184**	**100,00**
Full-time employees:		
Less than 5	104	56,52
Between 5 - 10	40	21,74
Between 11 - 20	18	9,78
Between 21 - 30	8	4,35
Between 31 - 40	3	1,63
Between 41 - 50	4	2,18
More than 50	6	3,26
Did not respond	1	0,54
Total	**184**	**100,00**
Part-time employees:		
None	71	38,59
Less than 5	86	46,74
Between 5 - 10	18	9,78
Between 11 - 20	2	1,09
Between 21 - 30	3	1,63
Between 31 - 40	-	-
Between 41 - 50	1	0,54
Did not respond	3	1,63
Total	**184**	**100,00**

* "Other answers to question 7 namely "Where is your business located?"

include: (5) office park, block, building, hotel premises, embassy, business

centre, (6) farm, plot, agricultural holding, wilderness area, nature reserve, rural area, and (7) conference and function venues.

* "Other" answers to question 8 namely "Which of the following products/ services does your firm render"? include: CD-ROM marketing, Web-site design, information technology, tourist consultant, advertising, public relations, media and information, experiential training, weddings, cultural evenings, general relaxation, fly-fishing and health spas. However, all these answers were classified into the 11 categories as stated in question 8.

Table 7.2 indicates that 52 of the businesses are between 2 and 5 years in operation (28,26%). The main form of business is Close Corporations with a total of 77 (41,85%). The majority of businesses operate in urban areas with a total of 147 (79,89%). Private homes are the most popular business location with 112 (60,87%). Accommodation counts for the highest **main primary product/service** that are rendered with a total of 77 (41,85%). No responses were indicated for "shops/retail" and "art/craft" as the main primary product/service.

As accommodation counts for the highest main product/service that are rendered as referred to in question 8, it should be noted that accommodation included the following: holiday resorts, chalets, caravan parks, self-catering establishments, country estates and hotels, retreats, lodges, game farms, guest houses and bed and breakfast establishments.

A total of 63 businesses (34,24%) have an annual turnover between R150 000 and R1,0 million per annum. Twelve respondents did not answer this question due to its sensitive nature. A total of 104 (56,52%) businesses have less than 5 full-time employees, while a total of 86 businesses (46,74%) have less than 5 part-time employees.

The business information (Section A) also included a section for respondents to:

- Indicate how important certain factors are for their business success (question 13); and

- Evaluate various business skills (question 14).

This information is shown in Table 7.3 (factors for business success) and Table 7.4 (evaluation of business skills):

Table 7.3: Factors for business success

FACTOR	MEAN SCORE	STANDARD DEVIATION
Location	3,97	1,38
Product/Service	4,65	1,06
Care for customers	4,71	1,00
Low prices	3,60	1,13
Public and private transport	2,86	1,47
Sufficient parking	3,25	1,56
Capital	4,15	1,11
Education and training	4,14	1,16

Table 7.3 indicates that the most important factor for business success is care for customers with a mean score of 4,71, followed by product/service with a mean score of 4,65.

Table 7.4: Evaluation of business skills

SKILL	MEAN SCORE	STANDARD DEVIATION
Take advantage of an opportunity	3,79	1,01
Product knowledge	4,27	0,85
Management skills	3,93	0,91
Commitment	4,56	0,74
Entrepreneurial skills	3,82	1,01
Enthusiasm	4,42	0,86
Marketing skills	3,42	1,17
Creativity and innovation	3,81	1,02

Respondents felt that commitment is the most important business skill with a mean score of 4,56 as indicated in Table 7.4. The second most important skill is enthusiasm with a mean score of 4,42.

7.3   EVALUATION OF PROBLEMS, BARRIERS AND CONSTRAINTS TO TOURISM ENTREPRENEURS

The item analysis includes the *mean* and *standard deviation*. Several properties make the sample *arithmetic mean* the most widely used estimator for drawing inferences about the population mean (Berenson and Levin, 1983:228). The three most important properties are unbiasedness, efficiency and consistency. The *variance* and the *standard deviation* according to Berenson, *et al* (1983:93) are: "two measures of dispersion that take into account how all the observations in the data are distributed. They are the *variance* and its square root - the *standard deviation*".

7.3.1 Responses of entrepreneurs to statements

Respondents were asked to judge the statements/factors by means of the 5-point Likert-scale. The response to question 15 of the questionnaire (Section B) is set out in Table 7.5 (page 208). The aim of Section B within the boundaries of this particular study was to determine to what extent tourism entrepreneurs experienced the listed statements to be problems, barriers or constraints.

The total sum percentages (responses) of the two lower scales (scales 1 and 2) to each statement are indicated in Table 7.5 first, followed by the two higher scales (scales 4 and 5).

The *mean* (average) of each factor (item), together with the *variance* and *standard deviation* of each item are also indicated within the specific columns within Table 7.5. In the last column, the *item-scale correlation* of each item is indicated as to measure the statistical covariation or association between two variables.

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Table 7.5: Statements of problems, barriers and constraints to tourism entrepreneurs

PROBLEM / BARRIER / CONSTRAINT	2-LOW BOX (1&2) %	2-TOP BOX (4&5) %	ITEM MEAN	ITEM VARIANCE	STANDARD DEVIATION	ITEM SCALE CORREL.
1. The South African economy is favourable for tourism	11	86	4,005	0,821	0,908	0,81
2. The Government supports tourism enterprises	28	56	3,294	1,118	1,059	0,69
3. Tourism development is planned in South Africa	27	49	3,232	1,013	1,009	0,56
4. The Government regulates tourism in South Africa	31	41	3,095	0,964	0,984	0,54
5. Natural resources are protected in tourism development	28	52	3,242	1,095	1,048	0,59
6. The picture of tourism as created by the media in South Africa, is a true reflection of it	43	43	2,967	1,249	1,120	0,67
7. Developed countries generate tourism demand to South Africa	58	19	2,524	0,879	0,938	0,26
8. Customer service in the South African tourism industry is of a high standard	62	30	2,562	1,289	1,138	0,73
9. Local communities benefit from tourism in South Africa	23	64	3,551	0,997	1,000	0,47
10. Tourism is negatively affected by urbanisation	34	30	2,944	0,823	0,909	0,34
11. Safety and security hamper tourism in South Africa	90	8	1,619	0,899	0,950	0,77
12. Perceptions about Southern Africa affect tourism in South Africa negatively	92	6	1,633	0,732	0,857	0,61
13. The South African tourism industry provides jobs mainly for the less-skilled people	35	45	3,082	1,053	1,028	0,65
14. Quality standards exist for tourism products and services	30	61	3,357	1,044	1,023	0,71
15. The Government develops infrastructure for tourism in South Africa	35	43	3,076	0,940	0,972	0,73
16. Local communities support new tourism development programs	27	47	3,191	0,893	0,947	0,46

Table 7.5 continues on the next page

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Table 7.5 continued

PROBLEM / BARRIER / CONSTRAINT	2-LOW BOX (1&2) %	2-TOP BOX (4&5) %	ITEM MEAN	ITEM VARIANCE	STANDARD DEVIATION	ITEM SCALE CORREL.
18. The South African public lacks environmental awareness	84	8	2,002	0,630	0,796	0,30
19. HIV/Aids affect the tourism industry's labour force negatively	67	12	2,204	0,914	0,959	0,77
20. Tourism entrepreneurs lack marketing funds	87	5	1,843	0,600	0,778	1,00
21. There are sufficient demand/ supply for tourism products/ services in South Africa	34	52	3,221	1,304	1,145	0,69
22. Seasonality affects tourism in South Africa negatively	45	43	2,894	1,271	1,131	0,66
23. South African tourism products/services are of a high standard	37	53	3,201	1,052	1,028	0,72
24. The South African tourism industry creates jobs	9	86	3,992	0,674	0,819	0,76
25. Government structures exist for tourism in South Africa	21	51	3,315	0,823	0,908	0,70
26. Opportunities exist in South Africa to establish partnerships in tourism	19	53	3,352	0,924	0,964	0,55
27. Government policies for tourism in South Africa are coherent	37	22	2,789	0,881	0,940	0,71
28. Too high prices are charged for tourism products/services in South Africa	48	46	2,925	1,488	1,219	0,70
29. Large tourism enterprises dominate tourism in South Africa	63	25	2,399	1,186	1,090	0,36
30. Government tourism structures are effective in South Africa	46	22	2,701	0,829	0,913	0,71
31. South African tourism products/services cater for a wide variety	6	86	3,975	0,526	0,724	0,44
32. Tourism is monitored by the South African Government	24	35	3,117	0,732	0,857	0,71
33. The tourism industry in South Africa keeps abreast of tourism trends/growth	28	47	3,186	0,897	0,949	0,66
34. South Africans lack the expertise to develop tourism in South Africa	31	60	3,373	1,396	1,183	0,50
35. Government policies exist for tourism in South Africa	19	44	3,266	0,682	0,827	0,62
36. Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour	21	46	3,288	0,794	0,893	0,53

According to Table 7.5, the only statement with a 4 on the 5-point scale (2-top box) is: "The South African economy is favourable for tourism (86%).

Responses to the list of 35 statements (Section B) that comprise the problems, barriers and constraints to tourism entrepreneurs are also being presented in Table 7.6. The *frequencies* of responses have been excluded and only *percentage* responses are reflected.

The statements do not appear in the same format as they appeared on the questionnaire (Section B). However, they have been rearranged to reflect the responses received for each statement according to the *mean score* in descending order. The *mean score* is a measure of central tendency i.e. it indicates the average response. The *standard deviations* are also indicated. A *standard deviation* exceeding 1 indicates a significant difference of opinion between respondents.

Table 7.6: Responses to statements on problems, barriers and constraints (ranked in order of the *mean score*)

NO	STATEMENT	PERCENTAGES					Mean Score	Standard Deviation
		Disagree strongly (1)	Disagree (2)	Don't know (3)	Agree (4)	Agree strongly (5)		
1	The South African economy is favourable for tourism	1,1	10,5	3,3	57,2	27,7	4,005	0,908
24	The South African tourism industry creates jobs	1,1	7,7	3,87	65,1	22,1	3,992	0,819
31	South African tourism products/services cater for a wide variety	0,5	5,6	5,6	70,2	17,9	3,975	0,724
9	Local communities benefit from tourism in South Africa	0,5	21,9	13,7	50,0	13,7	3,551	1,000
34	South Africans lack the expertise to develop tourism in South Africa	13,8	47,2	7,2	25,0	6,6	3,373	1,183
14	Quality standards exist for tourism products and services	2,7	27,0	8,2	55,8	6,0	3,357	1,023
26	Opportunities exist in South Africa to establish partnerships in tourism	4,4	14,2	27,4	47,8	6,0	3,352	0,964

Table 7.6 continues on pages 211 and 212.

Table 7.6 continued

NO	STATEMENT	PERCENTAGES					Mean Score	Standard Deviation
		Disagree strongly (1)	Disagree (2)	Don't know (3)	Agree (4)	Agree strongly (5)		
25	Government structures exist for tourism in South Africa	2,2	18,8	26,6	48,3	3,8	3,315	0,908
2	The Government supports tourism enterprises	5,0	23,3	14,4	50,5	6,6	3,294	1,059
36	Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour	5,5	39,6	34,0	18,9	1,6	3,288	0,893
35	Government policies exist for tourism in South Africa	1,1	18,9	35,2	42,4	2,2	3,266	0,827
5	Natural resources are protected in tourism development	5,5	23,7	18,2	46,4	6,0	3,242	1,048
3	Tourism development is planned in South Africa	3,9	24,0	21,2	45,2	5,5	3,232	1,009
21	There are sufficient demand/supply for tourism products/services in South Africa	6,0	28,1	12,7	42,5	10,5	3,221	1,145
23	South African tourism products/services are of a high standard	1,6	34,6	10,4	48,3	4,9	3,201	1,028
16	Local communities support new tourism development programs	3,3	23,0	26,3	44,5	2,7	3,191	0,947
33	The tourism industry in South Africa keeps abreast of tourism trends/growth	2,7	25,7	23,4	45,2	2,7	3,186	0,949
32	Tourism is monitored by the South African Government	2,2	21,1	41,1	32,7	2,7	3,117	0,857
4	The Government regulates tourism in South Africa	4,4	26,2	27,3	37,9	3,9	3,095	0,984
13	The South African tourism industry provides jobs mainly for the less-skilled people	3,8	41,4	19,3	30,3	4,9	3,082	1,028
15	The Government develops infrastructure for tourism in South Africa	2,7	31,6	21,8	41,5	2,1	3,076	0,972
6	The picture of tourism as created by the media in South Africa, is a true reflection of it	8,8	34,2	13,2	39,2	4,4	2,967	1,120
10	Tourism is negatively affected by urbanisation	2,7	27,2	36,1	30,0	3,8	2,944	0,909

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Table 7.6 continued

NO	STATEMENT	PERCENTAGES					Mean Score	Standard Deviation
		Disagree strongly (1)	Disagree (2)	Don't know (3)	Agree (4)	Agree strongly (5)		
28	Too high prices are charged for tourism products/services in South Africa	5,5	41,1	6,1	34,4	12,7	2,925	1,219
22	Seasonality affects tourism in South Africa negatively	2,7	40,0	11,1	35,0	11,1	2,894	1,131
27	Government policies for tourism in South Africa are coherent	8,5	28,9	39,7	19,8	2,8	2,789	0,940
30	Government tourism structures are effective in South Africa	6,8	40,3	34,0	17,6	1,1	2,701	0,913
8	Customer service in the South African tourism industry is of a high standard	15,3	46,7	7,1	27,4	3,3	2,562	1,138
7	Developed countries generate tourism demand to South Africa	1,6	17,7	21,6	49,4	9,4	2,524	0,938
29	Large tourism enterprises dominate tourism in South Africa	0,5	24,3	11,6	41,4	22,1	2,399	1,090
19	HIV/Aids affect the tourism industry's labour force negatively	0,5	11,6	21,1	41,6	25,0	2,204	0,959
18	The South African public lacks environmental awareness	-	8,2	6,6	61,3	23,7	2,002	0,796
20	Tourism entrepreneurs lack marketing funds	0,5	3,8	8,2	53,8	33,5	1,843	0,778
12	Perceptions about Southern Africa affect tourism in South Africa negatively	1,1	5,4	2,2	38,4	52,7	1,633	0,857
11	Safety and security hamper tourism in South Africa	2,1	6,0	2,1	31,1	58,4	1,619	0,950

The statement that rated the highest on mean score in Table 7.6 was "The South African economy is favourable for tourism" with a *mean score* of 4,005 and *standard deviation* of 0,908. Twenty statements had a mean score between 3 and 4 in Table 7.6.

The statement that rated the lowest on *mean score* was "Safety and security hamper tourism in South Africa" (1,619). The following statements had a mean score below 3:

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No.	Statement

6. The picture of tourism as created by the media in South Africa, is a true reflection of it.

10. Tourism is negatively affected by urbanisation.

28. Too high prices are charged for tourism products/services in South Africa.

22. Seasonality affects tourism in South Africa negatively.

27. Government policies for tourism in South Africa are coherent.

30. Government tourism structures are effective in South Africa.

8. Customer service in the South African tourism industry is of a high standard.

7. Developed countries generate tourism demand to South Africa.

29. Large tourism enterprises dominate tourism in South Africa.

19. HIV/Aids affect the tourism industry's labour force negatively.

18. The South African public lacks environmental awareness.

20. Tourism entrepreneurs lack marketing funds.

12. Perceptions about Southern Africa affect tourism in South Africa negatively.

11. Safety and security hamper tourism in South Africa.

However, the following statements were converted from "negative" to "positive" statements for item analysis purposes, namely:

No.	Statement

7. Developed countries generate tourism demand to South Africa.

10. Tourism is negatively affected by urbanisation.

11. Safety and security hamper tourism in South Africa.

12. Perceptions about Southern Africa affect tourism in South Africa negatively.

13. The South African tourism industry provides jobs mainly for the less-skilled people.

18.   The South African public lacks environmental awareness.

19.   HIV/Aids affect the tourism industry's labour force negatively.

20.   Tourism entrepreneurs lack marketing funds.

22.   Seasonality affects tourism in South Africa negatively.

28.   Too high prices are charged for tourism products/services in South Africa.

29.   Large tourism enterprises dominate tourism in South Africa.

34.   South Africans lack the expertise to develop tourism in South Africa.

36.   Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour.

Statement 17 (Section B) was excluded from both the item analysis and factor analysis. The statement is: "In South Africa, a tourist is perceived as someone who travels outside his/her own country". The statement was not perceived to be a problem, barrier or constraint to tourism entrepreneurs, but was rather included in the questionnaire to establish a definition (or perception). The responses to statement 17 (Section B) are presented in Table 7.7.

Table 7.7: Definition of a tourist

RESPONSES	FREQUENCY (n)	PERCENT (%)
Disagree strongly	3	1,63
Disagree	30	16,30
Don't know	5	2,72
Agree	123	66,85
Agree strongly	20	10,87
Did not respond	3	1,63
Total	**184**	**100,00**

Table 7.7 indicates that the majority of respondents (123) (66,85%) felt that a tourist is perceived as someone who travels outside his/her own country. It could boil down to the problem regarding the definition of "tourism" in South Africa. For example, "day trips" undertaken in one's own country, is therefore not perceived as travel/tourism.

Some respondents made a few interesting remarks (in Section B), such as:

- Statement 7: "Developed countries generate tourism demand to South Africa". Some respondents did not agree with the concept of developed versus under-developed (or third world) countries. They are not clear who determines this and what it exactly means.

- Some respondents felt that statements 14, 25 and 35 exist only in theory. Statement 14 was: "Quality standards exist for tourism products and services". Statement 25: "Government structures exist for tourism in South Africa", and Statement 35: "Government policies exist for tourism in South Africa".

- Statement 36: "Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour". Some respondents' felt that this statement mainly applies to the hospitality industry and also only to the high ranking positions.

7.3.2 Reliability of questions under each critical construct

In the case of this particular research study, 35 statements within the scope of question 15 of the questionnaire (Section B) were grouped into 9 critical constructs. (Statement 17 was excluded from the study). The 9 critical constructs identified include the following:

- **Construct 1: Economy**

    1.   : The South African economy is favourable for tourism.
    24.   : The South African tourism industry creates jobs.

- **Construct 2: Government**

    2.   : The Government supports tourism enterprises.
    4.   : The Government regulates tourism in South Africa.

15. : The Government develops infrastructure for tourism in South Africa.

25. : Government structures exist for tourism in South Africa.

27. : Government policies for tourism in South Africa are coherent.

30. : Government tourism structures are effective in South Africa.

32. : Tourism is monitored by the South African Government.

35. : Government policies exist for tourism in South Africa.

- **Construct 3: Legislation, regulation and standards**

14. : Quality standards exist for tourism products and services.

23. : South African tourism products/services are of a high standard.

28. : Too high prices are charged for tourism products/services in South Africa.

- **Construct 4: Tourism development**

3. : Tourism development is planned in South Africa.

5. : Natural resources are protected in tourism development.

9. : Local communities benefit from tourism in South Africa.

10. : Tourism is negatively affected by urbanisation.

16. : Local communities support new tourism development programmes.

18. : The South African public lacks environmental awareness.

26. : Opportunities exist in South Africa to establish partnerships in tourism.

29. : Large tourism enterprises dominate tourism in South Africa.

34. : South Africans lack the expertise to develop tourism in South Africa.

- **Construct 5: Tourism demand**

7. : Developed countries generate tourism demand to South Africa.

21. : There are sufficient demand/supply for tourism products/ services in South Africa.

31. : South African tourism products/services cater for a wide variety.

33. : The tourism industry in South Africa keeps abreast of tourism trends/growth.

36. : Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour.

- ## Construct 6: Social

11. : Safety and security hamper tourism in South Africa.

19. : HIV/Aids affect the tourism industry's labour force negatively.

- ## Construct 7: Marketing

6. : The picture of tourism as created by the media in South Africa, is a true reflection of it.

12. : Perceptions about Southern Africa affect tourism in South Africa negatively.

22. : Seasonality affects tourism in South Africa negatively.

- ## Construct 8: Finance

20. : Tourism entrepreneurs lack marketing funds.

- ## Construct 9: Education and training

8. : Customer service in the South African tourism industry is of a high standard.

13. : The South African tourism industry provides jobs mainly for the less skilled people.

Since *correlation coefficients* reveal the magnitude and direction of relationships (Cooper, *et al* 2001:533), it is important to analyse the *correlation coefficients* of the critical constructs in Table 7.8 (page 218).

The *Pearson correlation coefficient* varies over a range of +1 through 0 to -1. One would be a perfect positive relationship and the absence of a relationship is expressed by a coefficient of approximately zero (Cooper, *et al* 2001:533).

Therefore, the correlation coefficient of 0,526 in Table 7.8 is an indication of a significant relationship between *Tourism Development* and the *Government.* There are also significant relationships between *Tourism Development* and *Legislation/Regulation/Standards* (0,407) and between *Education/Training* and *Legislation/Regulation/Standards* (0,435).

Table 7.8: Pearson correlation coefficients

	Eco-nomic	Govern-ment	Legislation/ Regulation/ Standards	Tourism develop-ment	Tourism demand	Social	Marke-ting	Finance	Education/ Training
Economy	1,000								
Government	0,331	1,000							
Legislation/ Regulation/ Standards	0,316	0,269	1,000						
Tourism development	0,380	0,526	0,407	1,000					
Tourism demand	0,157	0,198	0,291	0,364	1,000				
Social	0,106	0,131	0,069	0,238	0,059	1,000			
Marketing	0,236	0,288	0,267	0,373	0,058	0,373	1,000		
Finance	0,004	0,082	0,038	0,205	0,119	0,100	0,026	1,000	
Education/ Training	0,137	0,227	0,435	0,300	0,161	0,143	0,320	0,022	1,000

It was also necessary to test the reliability of the particular critical constructs that had been identified. This was done by Cronbach's coefficient alpha as shown in Table 7.9 (page 219).

Table 7.9: Critical constructs (Cronbach alpha)

CONSTRUCT	NUMBER OF ITEMS	RANGE	MEAN	MEDIAN	CRONBACH ALPHA
Economy	2	3-10	7,995	8,000	0,387
Government	8	12-40	24,636	25,000	0,827
Legislation/Regulation/Standards	3	4-15	9,473	10,000	0,501
Tourism development	9	16-41	27,283	27,000	0,539
Tourism demand	5	9-24	16,125	16,000	0,383
Social	2	2-9	3,826	4,000	0,309
Marketing	3	3-13	7,495	7,000	0,304
Finance	1	1-5	1,842	2,000	-9,000
Education/Training	2	2-10	5,647	6,000	-0,082

Table 7.9 indicates that all the reliability coefficients (Cronbach alpha) are higher than 0,3 except for *Finance* and *Education/Training*. This may be because both included a low number of items. Cronbach alpha is significant for Government with 0,827.

7.4   RELIABILITY TESTING

A high reliability was achieved with a Cronbach alpha coefficient, namely higher than 0,80 in Table 7.10 (page 220).

Eleven statements (36 statements in total - Section B) were not included due to the unreliability of their nature. These statements all had an *eigenvalue* less than 1,00. They were removed before the final factor analysis was done.

7.4.1 Reliability - problems, barriers and constraints to tourism entrepreneurs

A Cronbach alpha coefficient of 0,8234 was achieved for the problems, barriers and constraints that tourism entrepreneurs face. The squared multiple correlations (SMC) (or item-to-total correlation) and the Cronbach alpha's for 25 statements on the problems, barriers and constraints to tourism entrepreneurs are shown in Table 7.10.

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Table 7.10: Cronbach alpha coefficients for problems, barriers and constraints to tourism entrepreneurs

NO	STATEMENTS ON PROBLEMS, BARRIERS AND CONSTRAINTS	SMC (Item-to-total correlation)	CRONBACH ALPHA
1	The South African economy is favourable for tourism	0,273	0,816
2	The Government supports tourism enterprises	0,558	0,806
3	Tourism development is planned in South Africa	0,532	0,806
4	The Government regulates tourism in South Africa	0,403	0,821
5	Natural resources are protected in tourism development	0,282	0,814
8	Customer service in the South African tourism industry is of a high standard	0,468	0,810
9	Local communities benefit from tourism in South Africa	0,254	0,820
11	Safety and security hamper tourism in South Africa	0,479	0,827
12	Perceptions about Southern Africa affect tourism in South Africa negatively	0,509	0,821
14	Quality standards exist for tourism products and services	0,322	0,813
15	The Government develops infrastructure for tourism in South Africa	0,537	0,811
19	HIV/Aids affect the tourism industry's labour force negatively	0,269	0,821
20	Tourism entrepreneurs lack marketing funds	0,215	0,825
23	South African tourism products/services are of a high standard	0,451	0,814
24	The South African tourism industry creates jobs	0,295	0,817
25	Government structures exist for tourism in South Africa	0,414	0,810
27	Government policies for tourism in South Africa are coherent	0,517	0,807
28	Too high prices are charged for tourism products/services in South Africa	0,245	0,823
29	Large tourism enterprises dominate tourism in South Africa	0,293	0,828
30	Government tourism structures are effective in South Africa	0,466	0,813
31	South African tourism products/services cater for a wide variety	0,269	0,820
32	Tourism is monitored by the South African Government	0,478	0,813
34	South Africans lack the expertise to develop tourism in South Africa	0,341	0,822
35	Government policies exist for tourism in South Africa	0,417	0,815
36	Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour	0,251	0,824

7.5   FACTOR ANALYSIS

The appropriate multivariate technique that was used in this particular research study is known as "factor analysis" as referred to in Chapter 6.

Hanke, *et al* (1984:458) claim that the *first* purpose of factor analysis concentrates on searching for linear combinations of the variables that adequately describe the relationships of the variables by using significantly fewer factors. For example, the researcher may search for correlation patterns among 20 variables with the hope of being able to describe most of their inter-dependence with as few as 3 or 4 factors. Additionally, the data reduction facility may help the researcher summarise and better present the findings.

The *second* purpose of factor analysis is interpretation that is complementary to the first purpose. By looking at the clusters of interrelated variables the researcher hopes to pinpoint the underlying structure of the variables. That is, is there some hidden dimension that explains the relationships among the variables?

7.5.1   Eliminating factors

Stevens (1986:340) argues that there are 4 methods that can be used in deciding how many components to retain, namely:

*   Probably the most widely used criterion is that of Kaiser (1960): "Retain only those components whose *eigenvalues* are greater than 1". Although generally using this rule will result in retention of only the most important factors, it could lead to retaining factors that may have no practical significance.

*   A graphical method called the "scree test" as been proposed by Cattell (1966). In this method the magnitude of the *eigenvalues* (vertical axis) are plotted against their ordinal numbers (whether it was the first

eigenvalue, the second, etc.). This method will generally retain components that account for large or fairly large and distinct amounts of variances.


- There is a statistical significance test for the number of factors to retain which was developed by Lawley (1940). However, as with all statistical tests, it is influenced by sample size, and large sample size may lead to the retention of too many factors.

- Retain as many factors as will account for a specified amount of total variance. Generally one would want to account for at least 70 percent of the total variance, although in some cases the investigator may not be satisfied unless 80 percent to 85 percent of the variance is accounted for. This method could lead to the retention of factors that are essentially variable specific, i.e. load highly on only a single variable.

The BMDP programme was used to run the factor analysis on the statements. The programme was run for "2" and "3" factors respectively. The "3" factor analysis produced the most acceptable result and was run a second time after eliminating the variables.

However, the aim was to establish a factor structure which had a sufficient number of variables in each factor and which gave factors that were usable and definable. This resulted in 3 clearly definable factors.

From the various *eigenvalues* (in the "scree test") that are presented in Figure 7.1 (page 223), it supports clearly that "3 factors" could be used.

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Figure 7.1: Scree plot of variables
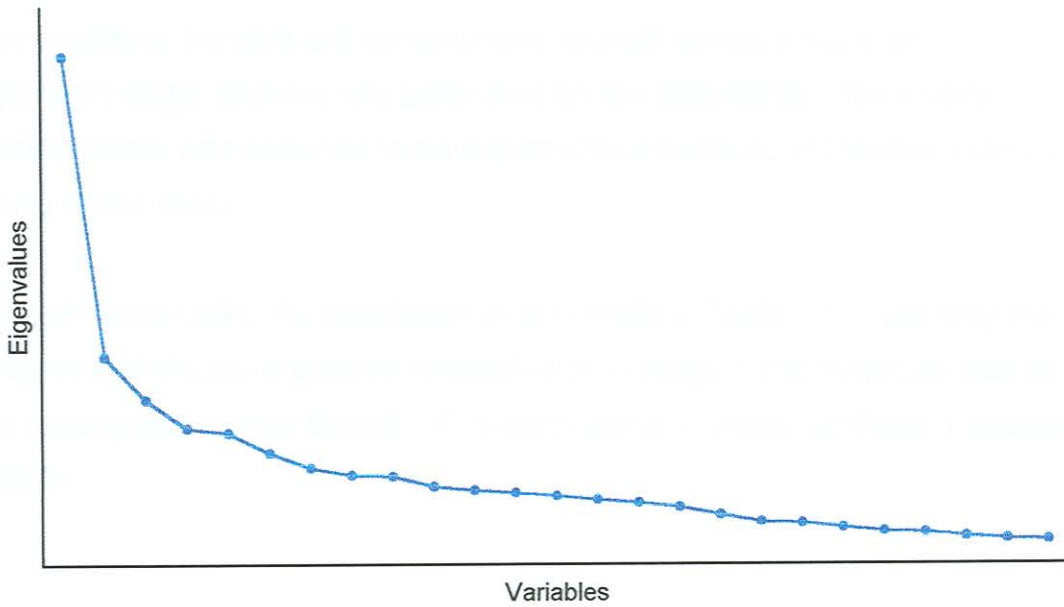
The 11 factors that were eliminated from the 3-factor analysis are presented in Table 7.11.

Table 7.11: List of variables that were eliminated for three-factor analysis

NO	STATEMENT
6	The picture of tourism as created by the media in South Africa, is a true reflection of it
7	Developed countries generate tourism demand to South Africa
10	Tourism is negatively affected by urbanisation
13	The South African tourism industry provides jobs mainly for the less-skilled people
16	Local communities support new tourism development programmes
17	In South Africa, a tourist is perceived as someone who travels outside his/her own country
18	The South African public lacks environmental awareness
21	There are sufficient demand/supply for tourism products/services in South Africa
22	Seasonality affects tourism in South Africa negatively
26	Opportunities exist in South Africa to establish partnerships in tourism
33	The tourism industry in South Africa keeps abreast of tourism trends/growth

7.5.2 Factor analysis on problems, barriers and constraints to tourism entrepreneurs

Factor analysis was conducted on the 25 variables as shown in Table 7.12 (page 225) in order to group those variables that were highly correlated. In order to explore dependencies and/or structure in what was indicated to be the main problems, barriers and constraints to tourism entrepreneurs, an exploratory factor analysis was performed on the statements. The 5-point semantic scale was assumed to be a quantitative measure of the respondent's feeling on the items.

For each factor used, the calculation as presented in Table 7.12 uses only the variables that display a positive rotated factor loading on that factor, as well as a zero loading on all other factors. (Cronbach alpha is undefined if only 1 variable is used).

Table 7.12 is presented on page 225.

Table 7.12: Rotated factor analysis on problems, barriers and constraints to tourism entrepreneurs

NO	STATEMENT	FACTOR 1	FACTOR 2	FACTOR 3
1	The South African economy is favourable for tourism	0,181	0,267	0,064
2	The Government supports tourism enterprises	0,570	0,202	0,032
3	Tourism development in planned in South Africa	0,544	0,240	0,107
4	The Government regulates tourism in South Africa	0,523	-0,199	0,048
5	Natural resources are protected in tourism development	0,358	0,208	0,036
8	Customer service in the South African tourism industry is of a high standard	0,176	0,549	0,139
9	Local communities benefit from tourism in South Africa	0,033	0,376	0,032
11	Safety and security hamper tourism in South Africa	-0,061	-0,105	0,763
12	Perceptions about Southern Africa affect tourism in South Africa negatively	0,086	-0,091	0,868
14	Quality standards exist for tourism products and services	0,218	0,385	0,087
15	The Government develops infrastructure for tourism in South Africa	0,740	-0,036	-0,049
19	HIV/Aids affect the tourism industry's labour force negatively	0,065	0,158	0,251
20	Tourism entrepreneurs lack marketing funds	0,019	0,211	-0,045
23	South African tourism products/services are of a high standard	0,167	0,536	0,008
24	The South African tourism industry creates jobs	0,141	0,431	-0,091
25	Government structures exist for tourism in South Africa	0,640	0,087	-0,033
27	Government policies for tourism in South Africa are coherent	0,616	0,128	0,071
28	Too high prices are charged for tourism products/services in South Africa	-0,143	0,430	0,093
29	Large tourism enterprises dominate tourism in South Africa	-0,109	0,259	0,020
30	Government tourism structures are effective in South Africa	0,658	-0,031	0,009
31	South African tourism products/services cater for a wide variety	0,079	0,420	-0,114
32	Tourism is monitored by the South African Government	0,656	-0,037	-0,005
34	South Africans lack the expertise to develop tourism in South Africa	0,005	0,380	-0,041
35	Government policies exist for tourism in South Africa	0,544	-0,032	-0,004
36	Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour	-0,050	0,322	0,014

Table 7.13 presents the eigenvalues, while Table 7.14 to Table 7.16 presents the extraction of the principal components for each factor.

Table 7.13: Eigenvalues - explained variance in three-factor solution

FACTOR	EIGENVALUE	CUMULATIVE VARIANCE (%)	CRONBACH ALHHA
1	4,7499	19,00%	0,851
2	1,4809	24,92%	0,699
3	1,4925	30,89%	0,624

These three factors explained 30,89% of the variance within the variables. All three factors achieved reliability-test scores of above 0,6 on the Cronbach alpha.

Cooper, *et al* (2001:593) state that *eigenvalues* are the sum of the variances of the factor values.   When divided by the number of variables, an *eigenvalue* yields an estimate of the amount of total variance explained by the factor.

From the factor analysis, the problems, barriers and constraints to tourism entrepreneurs can be categorised in the following three factors, namely:

- Factor 1: Government policies and support;
- Factor 2: Tourism industry products and services; and
- Factor 3: Perceptions about South Africa.

Factor 1   Government policies and support

Factor 1 (Table 7.14) has an eigenvalue of 4,7499 and explains 19% of the variance. Factor 1 consists of 10 variables which all describes *Government policies and support* for tourism entrepreneurs.

Table 7.14: Extraction of principal components - Factor 1

NO.	GOVERNMENT POLICIES AND SUPPORT	FACTOR LOADING
15	The Government develops infrastructure for tourism in South Africa	0,632
27	Government policies for tourism in South Africa are coherent	0,612
3	Tourism development is planned in South Africa	0,602
2	The Government supports tourism enterprises	0,595
25	Government structures exist for tourism in South Africa	0,590
30	Government tourism structures are effective in South Africa	0,570
32	Tourism is monitored by the South African Government	0,570
35	Government policies exist for tourism in South Africa	0,497
5	Natural resources are protected in tourism development	0,395
4	The Government regulates tourism in South Africa	0,382

Factor 2: Tourism industry products and services

Factor 2 (Table 7.15 - page 228) has an eigenvalue of 1,4809 and explains together with Factor 1 cumulatively 24,92% of the variance. It consists of 12 variables that are all concerned with the *tourism industry's products and services*.

Table 7.15 is presented on page 228.

Table 7.15: Extraction of principle components - Factor 2

NO.	TOURISM INDUSTRY PRODUCTS AND SERVICES	FACTOR LOADING
8	Customer service in the South African tourism industry is of a high standard	0,510
23	South African tourism products/services are of a high standard	0,461
14	Quality standards exist for tourism products and services	0,402
24	The South African tourism industry creates jobs	0,401
31	South African tourism products/services cater for a wide variety	0,348
9	Local communities benefit from tourism in South Africa	0,336
28	Too high prices are charged for tourism products/services in South Africa	0,336
34	South Africans lack the expertise to develop tourism in South Africa	0,295
36	Skilled positions in the South African tourism industry are occupied by expatriate (foreign) labour	0,277
1	The South African economy is favourable for tourism	0,260
20	Tourism entrepreneurs lack marketing funds	0,165
29	Large tourism enterprises dominate tourism in South Africa	0,163

Factor 3:   Perceptions about South Africa

Factor 3 (Table 7.16) has an eigenvalue of 1,4925 and 30,89% of the cumulative variance is explained by 3 factors.

Table 7.16: Extraction of principle components - Factor 3

NO.	PERCEPTIONS ABOUT SOUTH AFRICA	FACTOR LOADING
12	Perceptions about Southern Africa affect tourism in South Africa negatively	0,587
11	Safety and security hamper tourism in South Africa	0,505
19	HIV/Aids affect the tourism industry's labour force negatively	0,240

7.6 GENERAL COMMENTS OF ENTREPRENEURS

Dillon, *et al* (1993:310) argue that there are several drawbacks in using open-ended questions. *First*, they are not well suited for self-administered questionnaires, simply because most respondents will not write elaborate answers. *Second*, answers to open-ended questions may be more of an indication of the respondent's ability to articulate a response than a measure of the respondent's knowledge about or interest in the issue being investigated. *Third*, interviewer bias can be a serious problem with the use of open-ended questions. *Finally*, open-ended questions must be coded or categorised for analysis, which can be a tedious task laden with ambiguities.

The last question of the research questionnaire (question 16 - Section C) was open-ended, asking respondents to indicate their general comments as to what hamper them as tourism entrepreneurs. The aim of this question was to gather as much information as possible and to give respondents no limits to their views.

Not all respondents indicated responses to question 16. However, some respondents gave multiple responses. Therefore, the frequencies in Table 7.17 (page 230) exceed 184 (the number of respondents in this study).

All the answers were evaluated and grouped into categories that had some correlation or common characteristics. Each category was labelled and a total of 15 different categories (problems, barriers and constraints) were derived from the open-ended question. Table 7.17 presents the grouped categories of the problems, barriers and constraints that they face.

Table 7.17: Problems, barriers and constraints that hamper tourism entrepreneurs

PROBLEMS, BARRIERS AND CONSTRAINTS	FREQUENCY (n)	PERCENTAGE (%)
Economy	15	4,69
Political	7	2,18
Government	65	20,31
Marketing (and media)	55	17,19
Tourism development	24	7,50
Airlines (and Airways)	15	4,69
Safety and security	46	14,38
Finance	32	10,00
Human resources	19	5,94
Education and training	11	3,44
Tour operators / Professional bodies / Associations	11	3,44
Business skills	2	0,62
HIV/Aids	3	0,94
Prices	13	4,06
Customer service	2	0,62
Total	**320**	**100,00**

According to Table 7.17 a total of 320 comments were raised from respondents. The comment with the highest response rate was Government-related with 20,31% and marketing (and media) in the second place with 17,19%. The comments with the lowest response rate were related to business skills and customer service. Both these comments accounted for 0,62%.

Responses received to this question are summarised in Appendix B.

7.7   CONCLUSION

During the course of this chapter relevant information was obtained and explained by means of descriptive statistics. Relevant data that were captured were provided in tabular format. The various research techniques and methods as discussed within the scope of Chapter 6 (Research Design and Methodology), were practically applied within Chapter 7.

The demographic information of respondents was presented as well as their business information.

An item analysis was conducted to evaluate the problems, barriers and constraints to tourism entrepreneurs. The item mean, variance, standard deviations and item scale correlation were indicated. The various responses to each statement were also presented.

The statements on the problems, barriers and constraints to tourism entrepreneurs were grouped into 9 critical constructs. The constructs were also presented by applying the Pearson correlation coefficient.

Reliability testing was done on the problems, barriers and constraints to tourism entrepreneurs. Through factor analysis, 3 major factors were identified. The "scree-test" which was conducted, clearly supported a 3-factor analysis for this particular study.

The general comments of tourism entrepreneurs were summarised and their major constraints were highlighted.

Attention will be paid in the next chapter to the conclusions and most important recommendations. The objectives and hypothesis of the study will be revisited. The information obtained will be applied within the boundaries and limitations of this particular study.