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Barriers and facilitators of youth entrepreneurship in the tourism sector in South Africa

by

Mercy Mureithi

A research project submitted to Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of

Master of Business Administration

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ABSTRACT

This research was undertaken to identify the barriers facing youth entrepreneurs who work in or aspire to work in the tourism sector. The study was motivated by the need for innovative business support models to facilitate youth to take up opportunities in the tourism sector which is experiencing high growth according to research surveyed.

The research was conducted in South Africa by means of telephonic interviews with five existing tourism entrepreneurs and surveys self-administered by 122 students enrolled in tourism and hospitality courses in three institutions in Gauteng.

The resulting findings indicated that the tourism and hospitality sector is attractive due to many opportunities available for jobs and business. The majority of the respondents indicated that they would be keen to open businesses in the sector. The lack of capital and funding, and lack of experience were mentioned as the top two barriers to tourism entrepreneurship. The results also highlight a difference in the perception of barriers between the existing and prospective entrepreneurs. Recommendations are provided to promote entry of more young entrepreneurs into the sector through youth-specific entrepreneurship support initiatives, entrepreneurship education in tourism and hospitality education and training

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Key Words:

Youth, entrepreneurship, tourism, barriers, facilitators

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DECLARATION:

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree in any other university. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Mercy Mureithi

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CHAPTER ONE: INTRODUCTION TO RESEARCH PROBLEM

1.1 Introduction

This chapter will focus on introducing the research problem and its constructs as well as the motivation for the research area and its relevance.

1.2 Introduction to Research Topic

The National Youth Commission Act of 1996 defines youth as "all people between the ages of 14-35 years". Nafukho and Muyia (2010), indicate that youth unemployment negatively affects the economy through lost output and loss of tax revenue, increased social costs and illicit activities. In South Africa (SA), youth unemployment is of key concern. In 2005, four million youth aged between 15-25 years were available for employment but 65% (2.6m) were unemployed. Government, business and civil society have developed responses to this problem by developing initiatives that focus on job-creation and employment, skills and business development (Bernstein, 2008:1). These initiatives are directed towards growing areas of the economy where the opportunity for job-creation is high.

In addition, economic policies are geared towards the creation of employment opportunities or self-employment opportunities that eventually lead to the employment of others. Focus is placed on those sectors in the economy that are growing and expanding fast enough to absorb the huge numbers of the unemployed. In South Africa, tourism is one of the fastest growth sectors and has the additional advantage of being

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labour intensive, hence, has the ability to accommodate large numbers. A small number of large establishments controlling over 80% of the business while the remaining 20% has a large number of small and medium enterprises that include established, emerging and survivalist businesses, dominates the sector.

1.3 Introduction to Research Purpose

The tourism industry, despite growing to be the world's largest business sector, has been excluded to a large degree in terms of research on factors affecting entrepreneurs (Lerner & Haber, 2000). It is for this reason that the sector was selected for this study as it plays a critical role in economic development and job-creation and opportunity-provision for the youth. Entrepreneurship in tourism is critical as it drives the generation of regional economic development (Ioannides 2006).

1.4 Motivation for the Research

According to Sarasvathy, entrepreneurship research focuses primarily on how to foster entrepreneurship at the level of the individual and the economy Further, the majority of studies have been on the differences between entrepreneurs and non-entrepreneurs rather on questions relating to why entrepreneurship promotion is critical or worth doing. Two critical questions then emerge about, 1) what the barriers to entrepreneurship are to those who would want to be entrepreneurial but do not, and 2) how entrepreneurial individuals can be better supported to design better firms, markets and economies (Sarasvathy, 2004).

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The purpose of this study is to build upon this premise and seek to gain an understanding of what barriers and facilitators exist for prospective entrepreneurs, specifically youth, in the tourism sector and what can be done to increase activation of enterprises in tourism as a solution to the problem of high youth unemployment.

1.5 Economic Impact of Tourism

Travel and Tourism (T&T) contributes 9.4% to global GDP and employs over 235 million people. It is defined as "the activities of people travelling to and staying in places that are not their usual environments, for not more than one consecutive year for leisure, business and other purposes not remunerated" (World Travel and Tourism Council, 2010:1). The travel and tourism sector is complex and heavily fragmented and heterogeneous (Lerner & Haber 2000). At a country level, a growing T&T sector contributes to employment, raises national income, and improves a country's balance of payments. The sector is thus an important driver of growth and prosperity, particularly within developing countries where it plays a leading role in employment-creation.

South Africa is ranked eighth in tourism in the Middle East and Africa region and 61st globally (Blanke & Chiesa, 2009). SA's tourism contributes 7.7% (R203.3B) to national GDP. The employment in the sector is at about 6.9% of total employment at 869,000 jobs or 1 in every 14 jobs (WTTC, 2010). This provides huge opportunities for entrepreneurs providing services in the sector.

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1.6 Structure of Tourism Sector

Six companies control about 60-70% of the SA tourism sector, made up of over 50,000 businesses. The dominant players controlling the industry value-chain have created barriers for smaller firms to penetrate and gain market share. This creates a need to increase the activity of the smaller firms and increase the participation in the sector to lessen the monopoly currently in existence. The Tourism Enterprise Programme (TEP) was launched in 2000 with an initial budget of R60m to assist in the development and upgrading of tourism amongst SMMEs within the economy focusing on job-creation and the provision of skills (Rogerson, 2009).

Within the context of the developing world, in particular, it has been suggested that the economic objectives of increasing earnings, foreign exchange, investment and job opportunities, as well as minimising adverse social and cultural effects, were not best promoted through inward investment and large tourism enterprise. Instead, the advantages of developing small, medium and micro-enterprise tourism businesses are stressed (Wanhill, 2000).

1.7 Entrepreneurship and Unemployment

The question as to whether entrepreneurship reduces unemployment or, in fact, increases it, is one that has caused robust debate. There exists empirical and theoretical support for both views. Thurik, Carree, van Stel and Audretsch (2008) explore the relationship between unemployment and entrepreneurship in two distinct ways: the

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'refugee' and the 'entrepreneurial' effects. The one view suggests a positive relationship where entrepreneurship is a response to current unemployment or dismal prospects of future employment. The other suggests a negative relationship where the creation of new ventures leads to a reduction in unemployment where the new business creates new jobs.

The promotion of entrepreneurship to the unemployed does not always yield the desired results. It has been found that entrepreneurs who were previously unemployed or inactive do not become as successful as those who were employed previously. While their propensity to entrepreneurship is higher, they tend to exit entrepreneurship more than those employed prior to entrepreneurship (Andersson & Wasendjo, 2007).

1.8 Research Objectives

1.8.1 To identify the barriers faced by existing tourism entrepreneurs, and how these have been overcome to ensure success and sustainability.

1.8.2 To identify the motivation factors or influencers for entrepreneurs to start or not start a business in tourism.

1.8.3 To make recommendations for the enhancement and improvements on tourism and hospitality entrepreneurship support based on perceived barriers faced and opportunities identified in the sector.

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1.9 Relevance of Topic

In terms of the overall research into tourism and hospitality entrepreneurship, studies have focused to a large extent on the existing entrepreneurs who are already running their businesses. Aspects that have been researched have ranged from specific sector challenges they face especially amongst emerging entrepreneurs; sub-sector analysis; evaluation of tourism support initiatives; the extent of transformation in the sector and comparative studies.

This specific study aims to provide the different stakeholders in the tourism sector with information on the prospective entrants into entrepreneurship in the sector. The results of the study will assist in identifying areas of focus for targeted tourism entrepreneurship support and the improvement of curriculum in the training and education of tourism and hospitality practitioners. The study therefore seeks to identify the barriers and facilitators of promoting youth entrepreneurship in the tourism sector.

1.10 Conclusion

The research report is divided into seven chapters. Chapter One discusses the purpose and relevance of the research problem. It lays the background and context for the research on unemployment, entrepreneurship and the tourism sector. Chapter Two literature review of on the defining entrepreneurship and discussing a model for entrepreneurship development. This is followed by an exploration into the nature of tourism entrepreneurship and its barriers as well as youth entrepreneurship and its

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barriers. Chapter Three discusses the emergent ten research hypothesis based on the literature review that address the research problem. The selected research methodology and design are covered in Chapter Four. The research results and findings will be presented in Chapter Five. Chapter Six will discuss the results and findings and integrate these to the literature and context background. Finally Chapter Seven will present the conclusion and recommendations based on the results of the research.

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CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Available literature and research in tourism entrepreneurship focuses to a large extent on existing firms and entrepreneurs. A great deal of attention has also been placed on specific sector analysis. For example - accommodation, backpacking and township tourism. Other research has focused on emerging tourism entrepreneurs the challenges they face and specific support initiatives targeted to them. There is no available literature that speaks to entrepreneurship in tourism as it relates to prospective entrepreneurs seeking to enter the sector, and the extent of youth participation, specifically in this sector. In addition, there is also limited information regarding how entrepreneurship links with unemployment reduction. This research study therefore seeks to build knowledge as it relates to the attractiveness of the sector for new entrants, specifically the youth cohort and the perceived barriers and facilitators for entry into the sector.

This chapter investigates entrepreneurship broadly, and then uses the Nieman and Nieuwenhuizen model for entrepreneurship development to outline the theoretical framework for the study. The author then horns in to tourism entrepreneurship. This is followed by the identification and analysis of the perceived barriers to entrepreneurship in general, barriers related to youth entrepreneurship and finally barriers related to the tourism sector.

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2.2 What is Entrepreneurship?

Nieman and Nieuwenhuizen (2009:9), define "an entrepreneur as a person who identifies an opportunity, gathers resources, creates and grows a business venture while bearing the risk and is rewarded with profit from the venture". Entrepreneurship is a science of the artificial where entrepreneurs design firms to adapt to their environment, help exploit profit opportunities within those environments and shape the environments to resemble their personal aspirations and firm's resource endowments to create wealth (Sarasvathy, 2004:714). Entrepreneurial intentions can be explained in two models: the Theory of Planned Behaviour (TPB) which explains individual attitudes towards an act, and the model of entrepreneurial event, which explains entrepreneurial behaviour. Entrepreneurial intentions are derived from perceptions of desirability (attractiveness of starting a business), feasibility (capability to start), and a propensity to act (personal disposition) upon opportunities (Lee, Wong, Foo & Leung, 2009).

Ma and Tan, (2006:705), propose an integrative 4-P framework of entrepreneurship to enhance understanding of the subject of entrepreneurship. It highlights the Pioneer, denoting the entrepreneur as an innovator or champion for innovation; Perspective, denoting the entrepreneurial mindset; Practice, denoting the entrepreneurial activities; and Performance, denoting the outcome or result of entrepreneurial actions and activities.

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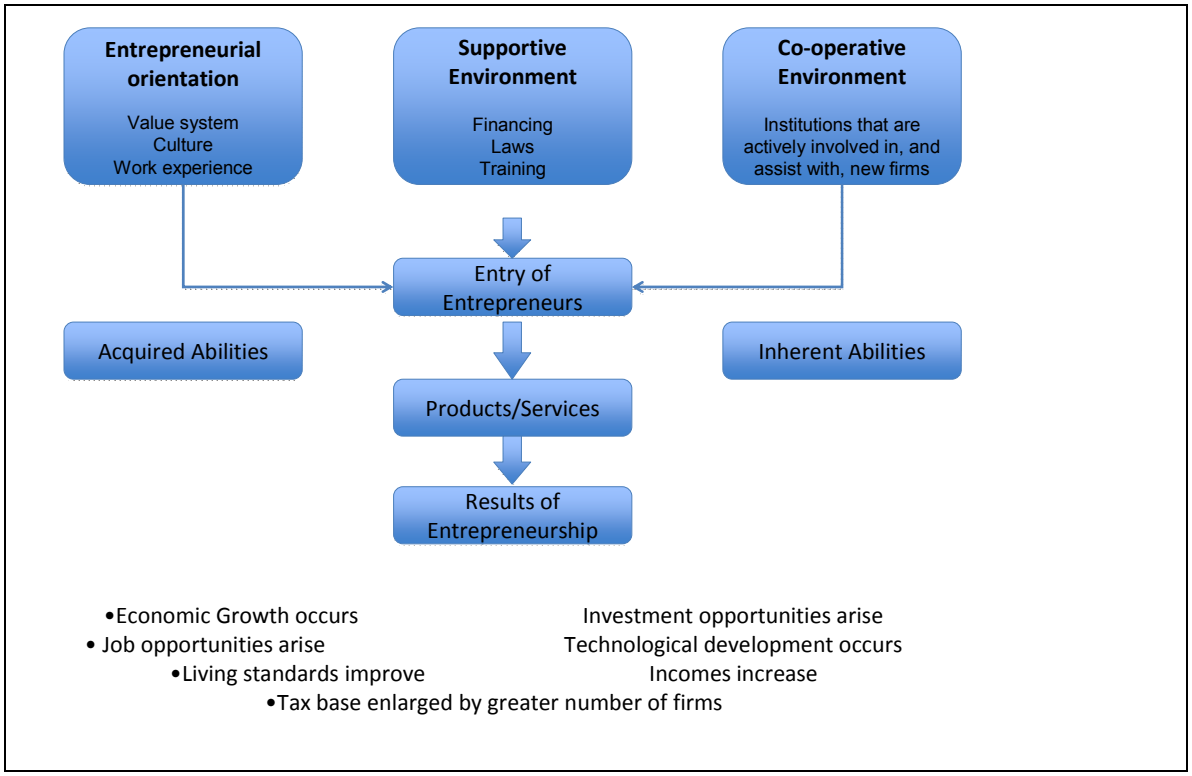
2.3 Entrepreneurship Development

Figure 1: A Model for Entrepreneurship Development



(Source: Nieman & Nieuwenhuizen, 2009:11)

2.3.1 Entrepreneurship Orientation and Motivation for Entrepreneurship

Entrepreneurial orientation is the key to the survival and growth of enterprises. The entrepreneur's culture, family, role models, education, work experience and personal orientation foster it. (Nieman & Nieuwenhuizen, 2009:11). Entrepreneurship culture is difficult to measure, however there has been attempts to compares countries on a variety of scales. One of this is the Global Entrepreneurship Report. South Africa's entrepreneurship culture measured in terms of Total Entrepreneurship Activity (TEA) is 7.8% which is below average of all participating countries. At the level of the country's

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economic development, the TEA rate should be double the current figure at 13%.Males are 1.6 times more likely to become entrepreneurs in SA than females. Yet there are more unemployed women. (Herrington, Kew and Kew, 2009) There is clearly a need to promote more entrepreneurship among the general population, especially women as a viable economic opportunity.

Once the decision on entrepreneurship has been taken, the determination of success of the new venture follows. Unger, Rauch, Frese and Rosenbusch (2009) found that human capital especially contributed to success if it consisted of knowledge and skills (outcomes) rather than education and experience (investments). This suggests that, to promote entrepreneurship, practitioners should adopt a process view focusing on the tasks undertaken by the entrepreneur develop the new ventures. The contextual requirements of entrepreneurs must also be considered while evaluating them.

2.3.2 The Supportive and Co-operative Environment

Support for tourism SMMEs in South Africa has been focused on two areas. The first is with relation to transformation of the sector to provide opportunities for previously excluded groups through Black Economic Empowerment initiatives, while the second is through a dedicated tourism-specific support intervention, the Tourism Enterprise Partnership (TEP), (Rogerson, 2005). A UK study on the tourism industry, Szivas (2001), indicates that there's relative ease of entry into the industry. It highlights 'way of life' motives for involvement of entrepreneurs which attracts more entrepreneurs to the

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sector. Lawton and Weaver (2009:78-79), indicate that negative public perceptions discourage budding entrepreneurs from entering the sector, and that the industry is unresponsive to the situation, while higher education encourages the negative attitudes by encouraging graduates to seek employment elsewhere. Further, the younger generation colloquially known as "X and Y" lack the enthusiasm, strong work ethic and commitment required.

A 2008 TEP survey of emerging SMMEs studied over 5000 SMMEs who were active in the tourism sector with a view to determining their readiness for the 2010 Soccer World Cup, and to develop assistance to provide the necessary support required. The critical assistance identified by the SMMEs was - the formalisation of operations; improvement of operational efficiency; product improvement; branding and marketing; and market access through linkages with established networks. Industry experts also indicated that customised support tailored to the operations of the tourism entrepreneur especially through experienced professional mentors would be most effective (TEP 2008:30).

Kirsten and Rogerson (2002), indicate that the tourism sector's contribution to employment-creation and entrepreneurship development is not guaranteed, but rather largely dependent on the type and location of the tourism enterprise, type and value of the investment in the enterprise, policy intentions and the level of support available to entrepreneurs. Policy makers and tourism enterprise practitioners therefore have to

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carefully decide what interventions to focus on that lead to the highest impact to alleviate employment and ensure sustainability of existing ventures.

There are a number of organisations present in South Africa that regulate and support the sector as well as SMMEs. The following table illustrates:

Table 1: Institutional Support for Small and Medium Tourism Enterprises (SMTEs) in South Africa

Institution	Role
Department of Tourism (previously Department of Environmental Affairs and Tourism)	Creating the conditions for responsible tourism growth and development by promoting and developing tourism. Facilitating growth by providing support to the public and private sectors, and the broader community.
South Africa Tourism	Marketing of South Africa is an attractive destination for leisure and business.
Tourism Hospitality Education and Training Authority (THETA)	Skills development of currently employed and prospective employees.
Tourism Enterprise Partnership (TEP)	Providing technical sector support to SMTEs through business advisory services, market linkages and finance.
Department of Trade and Industry	Creation of a conducive business environment.
Small Enterprise Development Agency (seda)	Provision of non-financial services.
Industrial Development Corporation (IDC)	Dedicated Tourism Strategic Business unit focusing on financing opportunities.
National Youth Development Agency (NYDA)	Provision of finance and non-financial support to youth entrepreneurs.
Universities and other educational institutions	Research into the sector; training and skills development of employees and prospective employees.
Association for South African Travel Agents (ASATA)	Promotion of professional service with security for both members and their clients with an emphasis on free trade without violating rules and regulations. Over 500 travel agents, wholesalers and tour operators, and 200 Associate Partners (airlines, hotels, car rental companies and other suppliers and industry partners)

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Fair Trade in Tourism South Africa (FTTSA**)**	Aims to facilitate improved access to tourism markets for structurally disadvantaged tourism enterprises. Qualifying businesses are able to use the FTTSA Trademark, an independent symbol of fairness in the tourism industry and awarded to establishments that meet stringent criteria such as fair wages and working conditions, respect for human rights, culture and environment.
National Accommodation Association of South Africa (NAA-SA)	The NAA-SA brings together all local and provincial accommodation associations. NAA-SA membership assures that those looking for accommodation in smaller establishments can expect quality, reputable service and value for money - and recourse if this is not the case.
South African Association for the Conference Industry (SAACI)	SAACI is dedicated to maintaining and improving the standards of efficiency and professionalism for the conference industry in southern Africa.
Southern Africa Tourism Services Association (SATSA)	SATSA is a non-profit member-driven association of tourism establishments. SATSA accreditation assures professional service.
Tourism Business Council of SA (TBCSA)	The Tourism Business Council of South Africa is the umbrella organisation representing the tourism business sector. Its primary purpose is to engage with all stakeholders in developing macro strategies that create an enabling environment for tourism development. These strategies require the development and maintenance of an environment in which tourism will prosper and the business sector will be able to achieve successful growth and development, while ensuring the protection of our natural and cultural heritage
Tourism Grading Council of South Africa (TGCSA)	The TGCSA represents the entire tourism industry and performs a vital role in ensuring a standard of quality is achieved across all the services and facilities offered by the South African tourism industry
Federated Hospitality Association of South Africa (FEDHASA)	The role of FEDHASA is to ensure a sustainable and profitable business environment for the South African Hospitality Industry. In its role as a Trade Association, it represents member interests on most recognised public and private sector economic, business and environmental forums.
The Restaurant Association of South Africa (RASA)	RASA is a non-profit organisation that was formed in the interest of the South African restaurateur, and to ensure that there is a lobby and a voice to speak on his/her behalf. RASA is the information and communications hub that introduces and maintains ethical business and employment practices and introduces compliance to a regulatory framework.

(Source: SA SMME Toolkit))

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These support institutions above provide a favourable environment for individuals who want to start businesses or are already operating in the sector. Their activities, however, are not integrated, which means an individual SMME has to deal with each organisation separately which is cumbersome. Application or registration processes for participation are lengthy, coupled with high membership fees which limit access for SMMEs. Most of the organisations target existing businesses and not those starting up or who are considering the prospect of entering the sector. Prospective tourism SMMEs especially those run by youth are therefore not well supported except for the National Youth Development Agency (NYDA), which deals with all sectors of youth-run businesses.

2.3.3 Acquired and Inherent Abilities

These are the personal characteristics that individuals are born with and gain through various life experiences or training and development processes or work experience. Nieman and Nieuwenhuizen (2009), identify the following success factors for entrepreneurs: creativity and innovation, risk orientation, leadership, good human relations, positive attitude and perseverance. An entrepreneur should analyse what their strengths and weaknesses are in line with required characteristics.

2.3.4 Products and Services

Based on the entrepreneur's skills and capabilities, opportunities identified in the market and leveraging off the supporting environment, entrepreneurs then develop products and services to meet the needs and opportunities identified. Within the

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tourism and hospitality sector these are defined in a variety of ways such as transport, arts and crafts, accommodation, attractions, entertainment, food and catering, transport, tour guides and travel agencies (TEP, 2008).

2.3.5 Results of Entrepreneurship

The economic impact of entrepreneurship is of enormous benefit to the economy. Entrepreneurship benefits include fuelling economic growth which leads to increased incomes, the improvement of living standards, an increase in investment opportunities, the enlargement of the tax base especially through formalisation, technological development, and the creation of job opportunities (Nieman & Nieuwenhuizen, 2009:11).

Austin (2003) indicates that there is an opportunity for African economies to use tourism and hospitality as a means to stimulate economic activity in communities. However, this process is a delicate balance with the contextual challenge being to first accurately identify and select potential entrepreneurs in a community, then to assist them in developing relevant management techniques that are socially and cultural relevant to those communities while understanding specific political environments.

2.4 The Nature of Tourism Entrepreneurship

Tourism SMMEs can be classified in various ways. One classification is the economic motive that differentiates lifestyle entrepreneurs, the growth-oriented entrepreneurs

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and survivalists. Lifestyle entrepreneurs are those that provide owner-managers with an acceptable income at comfort levels of activity, hence driven by non-economic factors. This is particularly so among white entrepreneurs in the Free State, the majority of whom are well capitalised individuals, retirees or lifestyle seekers, setting up bed-and-breakfasts and guesthouses (Rogerson, 2005). The tourism and hospitality sector provides SMMEs with a unique opportunity for lifestyle firms often initiated by the need for a balanced way of life. As such 'non-economic' values are key elements in entrepreneurial decision-making leading to the creation of new products serving a usually small niche market (Morrison, 1999 and Ateljevic & Doorne, 2000 cited in Ateljevic & Doorne, 2003). On the other hand, there are growth-oriented and opportunity-driven entrepreneurs made up of both established and emerging SMMEs. This type of category is important to foster faster economic growth, hence these entrepreneurs should be encouraged and supported to identify the type of revolutionary opportunities common to technology-related industries. Morrison and Texeira (2004), indicate that while the barriers to entry to the industry promote the lifestyle nature of the businesses, the demands of the business often take over and lead to long operating hours challenging their management capabilities. The survivalist or marginal entrepreneurs driven by necessity rather than opportunity are the other category in this classification. They operate with very limited income-generation or employment-creation prospects as characterised by most township-based tour operators, and bed-and-breakfasts or rural-based crafters (Rogerson, 2005).

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The other classification is the established and emerging SMMEs. Established SMMEs have the advantage of access to capital through the owners' asset base or earned through alternative means. Strong social networks, information and data access is another advantage gained through good education and high levels of managerial skills. This grouping also understands the tourism market well, and are exposed to both international and domestic tourists. Work experience for most of this category has been gained from other economic sectors and they operate in similar ways to the lifestyle SMMEs. Emerging SMMEs, mainly located in townships have less exposure to the business and leisure tourism served by established businesses. They serve more of a niche segment, and this may limit their growth and expansion. They have a clear economic motive based on the perceived opportunities identified, and most are highly educated entrepreneurs who have had previous experience in the sector or as tourists and are generally women over 50 years who have self-financed their businesses.

2.5 Barriers to Entrepreneurship

2.5.1 Youth Barriers to Entrepreneurship

The Global Entrepreneurship Monitor report of 2008, argues the need to find ways of increasing youth participation in the economy to fight the high unemployment. Entrepreneurship is offered as a solution for this, but for the youth the following barriers are identified as a hindrance:

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2.5.1.1 Access to Finance

This is a barrier common to other cohorts of entrepreneurs. Youth, however, are particularly affected as they have poor or no credit history creating problems for accessing financial support, especially in the mainstream financial institutions. The main reason for this is that they have not yet been involved in economic activity due to studies and have not gained any work experiences. They invariably also lack personal savings for the self -financing of a business.

One of the main barriers for youth entrepreneurs is the lack of access to financing and lack of credit history which makes it difficult for them to access mainstream products like bank and equity finance (Llisterri, Kantis, Angelelli & Tejerina, 2006). However, Paulson and Townsend (2004) indicate that for over 60% of small businesses, typical of those owned by young entrepreneurs, initial investment in the business is sourced from family and friends, largely due to the uncertainty of the expected profitability of the opportunity or the unproven entrepreneurial skill of the owner. What could be considered a negative often provides the incentive for the entrepreneur to exert themselves more to succeed.

2.5.1.2 Lack of Information on Entrepreneurship Support Initiatives

Youth do not have access to information on the services and support systems available to assist them to become entrepreneurs. These may be generic or specifically targeted

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to youth. They lack social capital and networks that adults may have accumulated over time.

2.5.1.3 Poor Education and Training

The current South African school system does not place strong emphasis on entrepreneurship education that prepares youth to have a basic understanding of how to start and run a business through courses like financial literacy, marketing and business skills. The high failure rate means that many youth do not qualify for enrollment into further training and education opportunities and therefore fall into anti-social behaviours. (Herrington *et al* 2009)

2.5.1.4 Business Operating Environment

Llisterri *et al* (2006) highlight further barriers relating to the business operating environment - lack of access to markets and business advisory services. Access to local and international markets is facilitated through personal and business contacts. Without these networks it is difficult for a business to compete with those with already established networks and more resources for marketing. Knowledge of organisations or individuals that provide business advisory services is required for success. These, however, cost a fee or in some cases may be free, especially if supported by a government-related organisation. Most young people may not know what organisation to approach or these may be located far from reach. Further to having knowledge of the organisation is knowing the process of getting assistance from the organisation.

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2.5.2 Barriers to Tourism Entrepreneurship

The barriers faced by youth entrepreneurs have been discussed in the section above. In addition, there are some that relate to the tourism sector more and these are discussed in the following section. The barriers are common to both established and emerging tourism SMMEs.

There are a number of reasons preventing the entry of potential entrepreneurs into the tourism sector in South Africa, despite specific government support initiatives. The environment has constraints such as a lack of funding and opportunities, lack of safety due to high crime levels and problems related to HIV/AIDS (Nieman, Visser & Van Wyk, 2008)

2.5.2.1 Inadequate and Insufficient Tourism Products

Provincial and national tourism bodies are charged with marketing tourism to both domestic and international markets. This therefore needs to be done in an organised and professional manner as the sector is highly competitive and requires intense marketing. Without this strong market positioning, individual establishments themselves struggle to market their businesses effectively or seek more expensive alternatives to ensure the market is aware of their offering by using private platforms such as Gateway magazine (Visser & Kotze 2004, and Rogerson, 2005)

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2.5.2.2 Excessive or Unnecessary Regulation

Rogerson, 2005 indicates that specific laws relating to tourism SMMEs can hinder business growth or prevent new entrants from getting into the sector. These include high costs of zoning or licensing, signage restrictions and labour regulations. Compliance to regulation is important to ensure protection of consumers and maintaining a positive business environment. Over-regulation leads to non-compliance of some SMMEs leading to an unfair advantage over large businesses. The Small Business Project (SBP) study in 2006 found that compliance costs for businesses in tourism were triple those of businesses in other sectors (SBP, 2006:75). This creates an uneven playing field for the small and medium enterprises that do not have the financial resources for these requirements leading to non-compliance

2.5.2.3 Poor Infrastructure Development for the Tourism Economy

This relates to both human and physical infrastructure. Poorly skilled workers in the sector hinder growth. This may be due to a lack of training and education facilities or facilitators. The location of these institutions should be accessible, especially in the tourism hotspots. Availability of skilled labour is critical for all tourism SMMEs growth and expansion. The majority of unemployed youth are unskilled and lack critical experience and cannot take advantage of opportunities that the tourism sector presents. Physical infrastructure is a key component that supports tourism businesses. The presence of good road networks, electricity and water supply, and air linkages lead to the growth of tourism businesses. Where these are lacking, individual business

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owners need to develop this on their own which is expensive and therefore hinders entry of new businesses. Rural-based tourism SMMEs are particularly affected leading them to operate at mere survival levels (Rogerson, 2005).

2.5.2.4 Poor Access to Government Interventions

Many SMMEs fail to access government support that targets them due to long bureaucratic processes or lack of information about the specific interventions. Amongst the organisations providing support to tourism SMMEs, there lacks a clear understanding of issues facing the SMMEs at local level in order to design and provide relevant information and support (Rogerson, 2005).

2.6 Conclusion:

The extent of the entrepreneurship within the tourism industry is immense and varied. Individual entrepreneurs have different motives for starting business in this sector and this determines the size of the business, growth potential, the sub-sector of interest and resources employed into the business. The tourism sector, though dominated by large enterprises, also has the presence of many SMMEs competing for both international and domestic visitors at varying levels of success. Transformation in this sector has been low leading to it being perceived as unfavourable for business. Specific tourism initiatives for entrepreneurship like TEP have provided marketing and business linkage support to many emerging entrepreneurs. The labour intensive nature of the tourism sector makes it attractive to create jobs for South Africa's unemployed especially the youth. Various

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institutions provide training and development of individuals in the sector across the country. This on its own is not sufficient for starting and operating tourism SMMEs and is more suited to preparing individuals for employment.

The above context provides us with the framework for the hypothesis seeking to address the research problem investigating the barriers and facilitators in the sector for prospective entrepreneurs in the next chapters.

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CHAPTER 3: RESEARCH HYPOTHESES

> *The questions we ask often prevent us from asking other questions. The particular ways in which we formulate key questions in research can sometimes drive us down unprofitable paths, even when the underlying concerns that motivate our questions are genuine and important*. (Sarasvathy, 2004:707)

3.1 Introduction

The following hypotheses were formulated for investigation of the barriers and facilitators for youth entrepreneurship in the tourism sector.

3.2 Research Problem and Hypotheses

To address the research problem, the following research hypotheses were tested.

3.2.1 Hypothesis One:

H1: The tourism and hospitality sector is attractive enough for youth entrepreneurs.

H1a: The tourism and hospitality sector is attractive enough for individuals who want to set up businesses.

H1b: Individuals who have studied tourism and hospitality are more likely to set up a business in the tourism and hospitality sector than in any other sector.

3.2.2 Hypothesis Two:

H2: Tourism and hospitality training courses are designed to equip students for employment and not for entrepreneurship.

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3.2.3 Hypothesis Three:

H3: An Individual's personal characteristics determine the likelihood of setting up a business.

H3a: Individuals with a higher risk tolerance are more likely to be interested in starting a business.

H3b: Previous work experience leads to greater interest in setting up a business.

3.2.4 Hypothesis Four:

H4: Individuals are influenced by different people, in their decision to start a business.

H4a: Friends and family have a stronger influence than others to individuals wanting to start a business.

H4b: Individuals with family and friends' support are more likely to be interested in setting up a business that those without.

H4c: Individuals who know someone who is running a business are more likely to be interested in setting up a business than those who do not.

3.2.5 Hypothesis Five:

H5: The external environment determines an individual's interest in setting up a business.

H5a: Lack of employment opportunities leads to greater interest in entrepreneurship.

H5b: Training in the tourism sector leads to greater interest in setting up a tourism business.

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3.2.6 Hypothesis Six:

H6: The perception of the external environment influences the perception of the barriers to entrepreneurship.

3.2.7 Hypothesis Seven:

H7: Personal characteristics of an individual determine their perception of the barriers to setting up a tourism business

3.2.8 Hypothesis Eight:

H8: The education and training an individual receives determine their perception of the barriers to setting up a tourism business.

3.2.9 Hypothesis Nine:

H9: Individuals with access to finance are more interested in setting up a business than those who do not have access.

H9a: Individuals with access to finance are more interested in starting a T&H business than those who do not

H9b: Individuals with access to finance are more likely to have developed a business plan than those who do not

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CHAPTER 4: RESEARCH METHODOLOGY AND DESIGN

4.1 Introduction to Methodology

The qualitative and quantitative research methods were both used for this study. The first phase was exploratory research through in-depth interviews. Zikmund (2003) describes the in-depth interviews as relatively unstructured extensive interviews used in the primary stages of a research process. This was done through telephonic interviews to gain an understanding of the process existing tourism and hospitality entrepreneurs go through to set up and operate their tourism and hospitality businesses. This enabled the researcher to understand the motivations and the environment's enablers.

The second phase used quantitative research using survey research methods. Surveys are research techniques in which information is gathered from a sample of people by use of a questionnaire or interview (Zikmund, 2003:175). The purpose of a survey is to describe what is happening or provide reasons for a particular activity. Advantages are that it can be used on a large sample to measure attitudes and describe behavioural patterns (Zikmund, 2003). This survey method was used on the tourism and hospitality students who form the proxy for potential entrepreneurs in this study.

4.2.1 Unit of Analysis

In relation to the research problem identified, the level of investigation where the data collection will focus must be specified e.g. the entire organisation, department, individuals or objects (Zikmund, 2003:96). The unit of analysis in this research study is

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the individual that is the existing entrepreneur or tourism and hospitality student (prospective entrepreneur).

4.2.2 Population of Relevance

Zikmund (2003:369) defines a population as a complete group of entities sharing a common set of characteristics. The population of this study consisted of two population groups:

4.2.2.1 Population One: Existing Entrepreneurs who own and manage enterprises in the tourism and hospitality sector in South Africa.

4.2.2.2 Population Two: Students studying tourism and hospitality in institutions of higher learning in South Africa.

4.2.3 Sampling Method and Size

4.4.1 Sample One - Existing Tourism and Hospitality Entrepreneurs

The Tourism Entrepreneurship Partnership (TEP) is the country's specialised tourism and hospitality enterprise development initiative. Its current database has over 5000 beneficiaries nationally and is the single most comprehensive database of SMTEs in the country. In addition, together with South African Tourism and South African Breweries, TEP conducts the Emerging Tourism Entrepreneur of the Year Awards (ETEYA) where a national winner is selected each year. The criteria for the ETEYA awards relates to the following aspects: a business operating for less than five years with turnover not

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exceeding R5 million, having less than 50 employees and meeting the necessary legal compliance related to the type of business.

As the competition had been running for 10 years, the ten annual winners had been identified as the sample for existing entrepreneurs. This sample was selected as a judgement sample for the in-depth interviews (Zikmund, 2003). The reason for the selection of these ETEYA winners is that they represented the best of the country's emerging tourism and hospitality entrepreneurs. The researchers sought to establish best practice in terms of the process followed, the successes and how challenges faced were overcome through the interviews.

4.4.2 Sample Two - Tourism and Hospitality Students

Tourism and hospitality students were used as the proxy for aspirant entrepreneurs or the unemployed in this study. Universities and colleges providing courses in tourism and hospitality were identified as the key institutions where these tourism and hospitality students were drawn from. The training institutions varied in course type, ownership, degree of specialisation, teaching methods and faculty and geographical location. To determine a sampling method, it was necessary to understand the tourism and hospitality training environment. The tourism and hospitality courses offered range from certificate courses, and diplomas to degree programmes. These were offered at private and publicly-owned universities, private colleges and further education and training colleges.

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Final-year students were selected as they were just about to enter the job market having completed their studies and earned qualifications. A convenience sample of 50 students from Gauteng-based institutions was taken from the University of Pretoria, International Hotel School, Midrand Graduate Institute, University of Johannesburg; Damelin College in Randburg and Ga-Rankuwa Hotel School. Gauteng institutions were selected due to ease of access for the researcher given the limited time and resources available for the study.

4.2.4 Data Collection Instruments

Two data collection instruments were developed for this study.

The first, an interview guide (Appendix B) was used to interview the selected ten existing entrepreneurs used for the qualitative component of the study. An introductory email was sent to the interviewees. An interview guide was used by the researcher to interview the selected existing entrepreneurs. Interviews were scheduled with each of the entrepreneurs and data was recorded through a voice recorder and interview notes.

The second, a self-administered questionnaire (Appendix C) was used to collect data from the tourism and hospitality students. The questionnaire was self-administered by the selected respondents and completed in the presence of the researcher. The researcher visited the educational institutions identified, explained the purpose of the study, distributed the questionnaire and collected them after the session. The

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questionnaire included demographical information and included a five-point Likert instrument ranging from 1 (strongly disagree) to 5 (strongly agree). Pansiri and Temtime's 2010 study of Botswana's SMMEs critical success factors for innovative entrepreneur support was also adopted for the purposes of the study. These critical success factors include: Demographical information individual entrepreneur characteristics; motivation for the youth individual entrepreneur starting a tourism and hospitality enterprise; perceived barriers faced by the entrepreneur wanting to start an enterprise; education background and work experience; perceived influencers for the youth entrepreneur, and characteristics of the tourism and hospitality industry that make it attractive for youth entrepreneurs.

4.2.5 Data Analysis

The questionnaires were collected and reviewed to ensure completion. The following data analysis methods were used, content analysis, descriptive statistics, cross tabulation, hypothesis testing. Content analysis was used to analyse the in-depth interviews. Zikmund (2003) indicates that content analysis involves identification of characteristics in the data through observation and systematic analysis. For the survey questionnaires, descriptive statistics and cross-tabulation were used to analyse the responses given by the prospective entrepreneurs.

Questionnaires were reviewed with the assistance of the NYDA Research and Evaluation department. The data from the questionnaires was captured, coded and exported to

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Statistical Programme for Social Sciences (SPSS), which was used for analysis. The interviews were transcribed and responses arranged according to emerging themes related to the hypothesis.

4.7 Pre-Testing

Prior to circulation of the questionnaires and interview guides, these were pre-tested on a few respondents, comments were received and incorporated into the documents before circulation to the actual sample.

4.8 Conclusion

This study combined both qualitative and quantitative methods of research and collected data from two samples of existing and prospective entrepreneurs. Data analysis was done through descriptive, statistical and content analysis.

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CHAPTER FIVE: RESULTS AND FINDINGS

5.1 Introduction

In this chapter, the results and findings from the interviews and surveys will be outlined. These results have been collated and analysed according to the different hypotheses detailed in Chapter Four.

5.2 Description of Sample

5.2.1 Survey Sample:

When the institutions were contacted, final year students were not available as they were attending their industry internships. The researcher secured appointments with the lecturers during class time at the three institutions where the questionnaires were distributed and collected. The surveys were conducted between 1 to 20 September 2010. In total, 122 responses were received from the University of Johannesburg, Damelin College and Garankuwa Hotel School. This was more than double the original planned sample size.

5.2.2 In-depth Interview Sample

For the existing entrepreneurs, five interviews were conducted which was a 50% response rate from the selected sample. Originally meant to be face-to-face interviews, travel and time constraints forced the researcher to opt for telephonic interviews, which were conducted between the 1st to 10th of September 2010. The five interviewees were all above 35 years of age, and consisted of two females and three males. The

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business sectors the interviewees came from were: tour and travel agency, country lodge and conference centre, guesthouse and conference centre, cultural village and wine farm.

5.3 Summary of the Survey Descriptive Data:

In this section, descriptive statistics are presented for all questions in terms of frequencies and percentages.

5.3.1 Age Breakdown of Respondents:

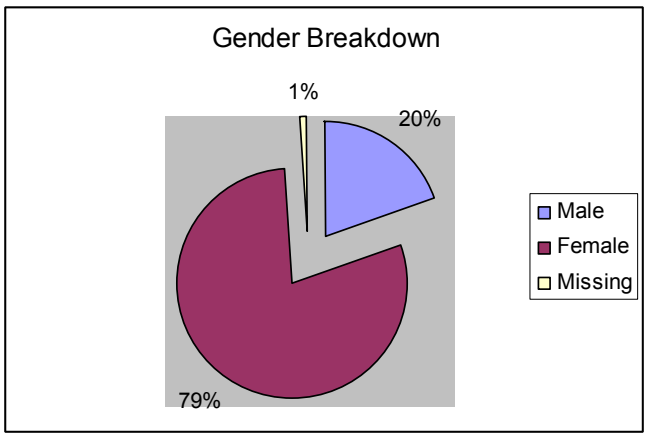
Table 2: Age Breakdown of Respondents

Age Cohorts	Frequency	Percent
18-24	**115**	**94.3%**
25-30	6	4.9%
Over 35	1	0.8%
Total	**122**	**100%**

The majority of the respondents, 94.3%, were aged between 18-24 years, followed by those in the 25-30 year cohort at 4.9% with 0.8% being over 35 years.

5.3.2 Gender Breakdown of Respondents

Figure 2: Gender Breakdown of Respondents



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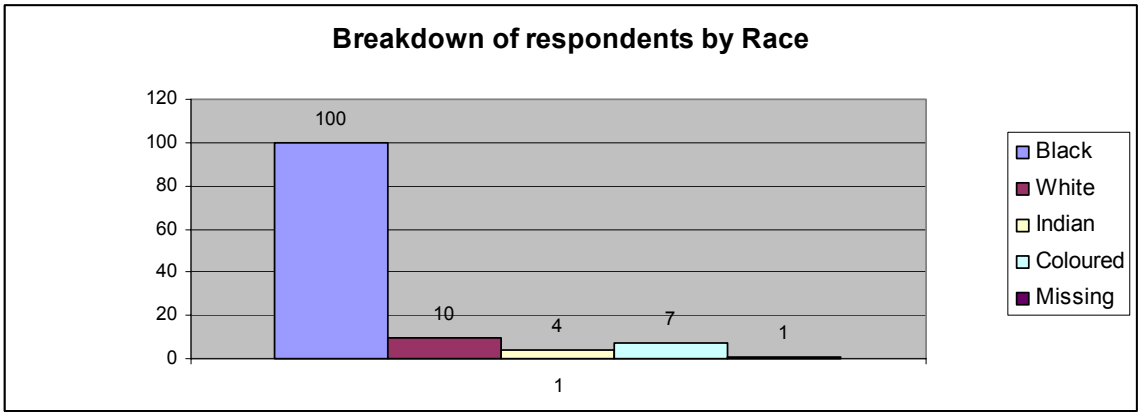
In terms of respondents' gender breakdown, 79% of the respondents were female while 20% were men and 1% of respondents skipped this question. The tourism and hospitality course is very popular with women. It is not known whether this is the general trend in all tourism and hospitality institutions.

5.3.3: Race Breakdown of Respondents

Figure 3: Breakdown of Respondents by Race



Of the 122 respondents to the survey, 100 were black, 10 were white, four Indian and seven coloured. One of the respondents skipped this question.

5.3.4: Study Duration of Respondents

Table 3: Respondents' Study Duration

Study Duration	Frequency	Percent
Less than 1 year	1	0.8%
Equal to 1 year	3	2.5%
Equal to 2 years	17	13.9%
Equal to 3 years	**96**	**78.7%**
Equal to 4 years	4	3.3%
Missing	1	0.8%
Total	**122**	**100%**

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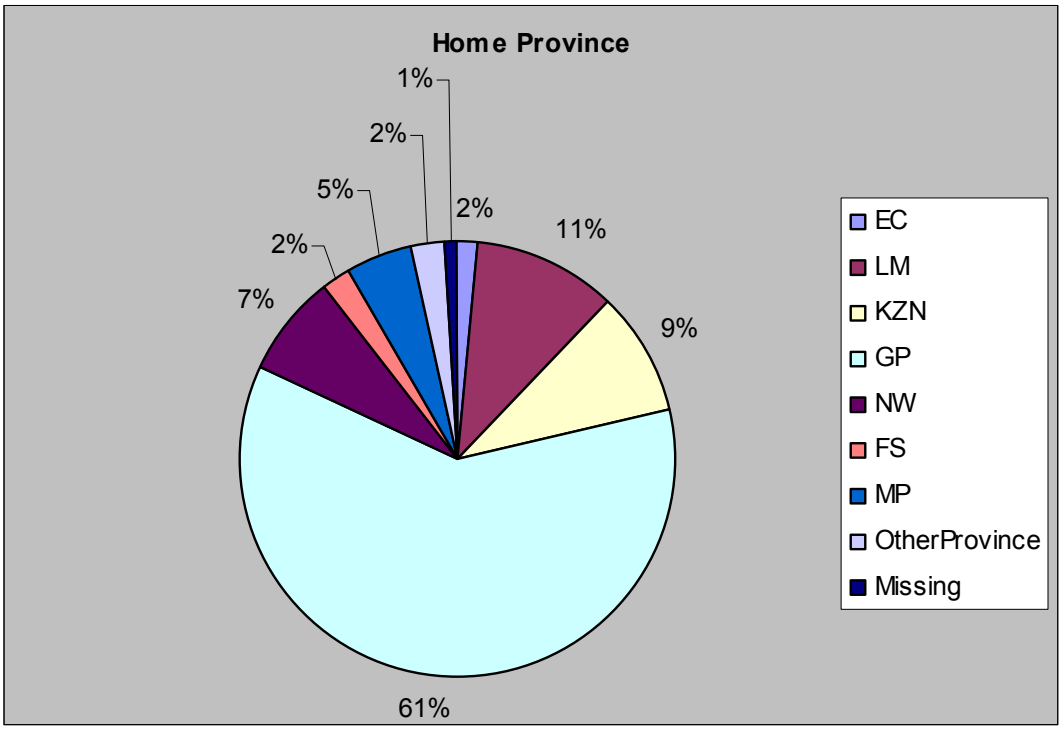
In terms of course duration, the majority (78.7% or n=96) of respondents were enrolled in a three year course, while 0.8% was enrolled in a course less than one year.

5.3.5 Respondents Home Province

Figure 4: Home Province of the Respondents



The majority of the respondents, 61% were from Gauteng, 11% were from Limpopo province, 9% were from Kwa-Zulu Natal, 7% from the North-West Province, and 5% from Mpumalanga. The Free State and Eastern Cape provinces both had 2% of the respondents. Respondents who were international students – classified as other province - were 2%, while 1% of the respondents skipped this question.

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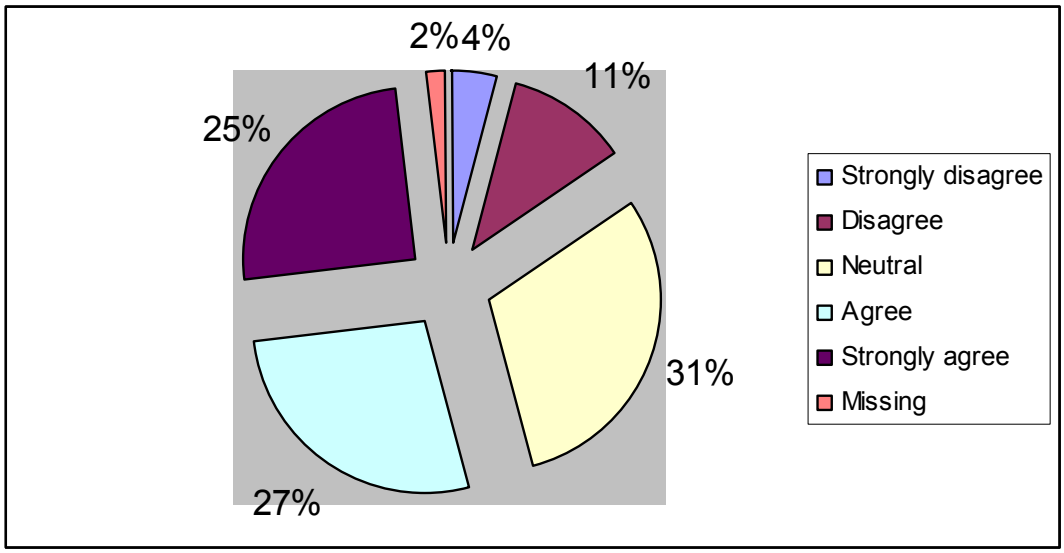
5.3.6: Likelihood of Starting a Business and Tourism Hospitality Business

On the interest in starting a , two questions were asked. The first was on interest in starting a business and also specifically about starting a tourism and hospitality business.

Figure 5 : Likelihood of Starting a Business on Completion of Studies



In terms of the respondents' likelihood of starting a business on completion of their studies, 52% agreed that they would most likely do so.

Table 4: Likelihood of Respondents to Start a Business in the Tourism and Hospitality (T&H) Sector

Starting Business in T&H	Frequency	Percent
Strongly disagree	7	5.7%
Disagree	3	2.5%
Neutral	27	22.1%
Agree	**47**	**38.5%**
Strongly agree	35	28.7%
Missing	3	2.5%

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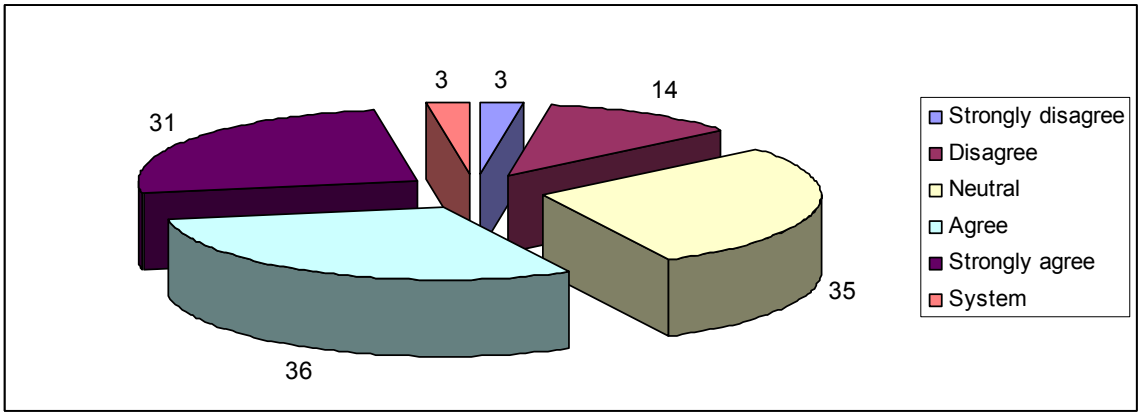
Starting Business in T&H	Frequency	Percent
Strongly disagree	7	5.7%
Disagree	3	2.5%
Neutral	27	22.1%
Agree	**47**	**38.5%**
Strongly agree	35	28.7%
Missing	3	2.5%
Total	**122**	**100%**

In contrast to the likelihood of setting up a business, a higher number of respondents - 66% - would like to start a tourism and hospitality business. According to this data, it means that for respondents who are in tourism and hospitality courses at the sampled institutions, the majority would open a business in the sector.

Figure 6: Motivation of Family and Friends on Respondents to Start a Business



Family and friends seem to be a huge driving force and motivator for 56% of the respondents to start their own business, while 19% indicated that they are not motivated by family and friends.

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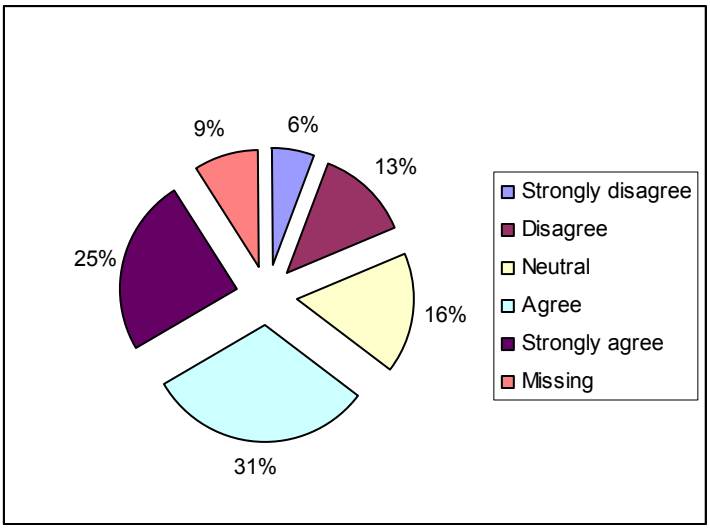
5.3.7: Respondents' Risk Tolerance

Figure 7: Is it risky to start a business?



When respondents were asked whether it was risky to start a business or not, 31% agreed that it was risky to start a business.

5.3.8 Access to Finance and Business Plan Development

Table 5: Presence of Access to Finance to Start Own Business

Access to Finance	Frequency	Percent
Strongly disagree	27	22.1%
Disagree	**45**	**36.9%**
Neutral	18	14.8%
Agree	11	9.0%
Strongly agree	5	4.1%
Missing	16	13.1%
Total	**122**	**100%**

Of the total respondents, the majority of the respondents - 59% - do not have access to finance in contrast to 13.1% who agreed that they had access to finance.

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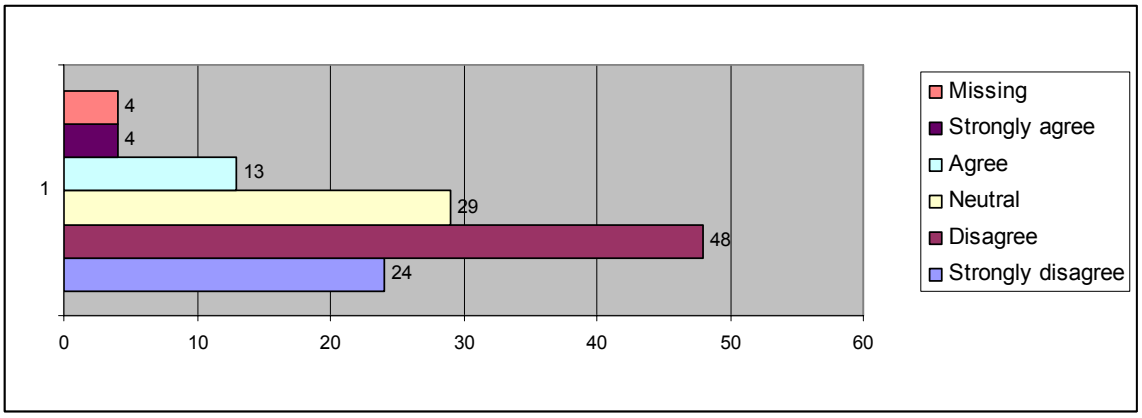
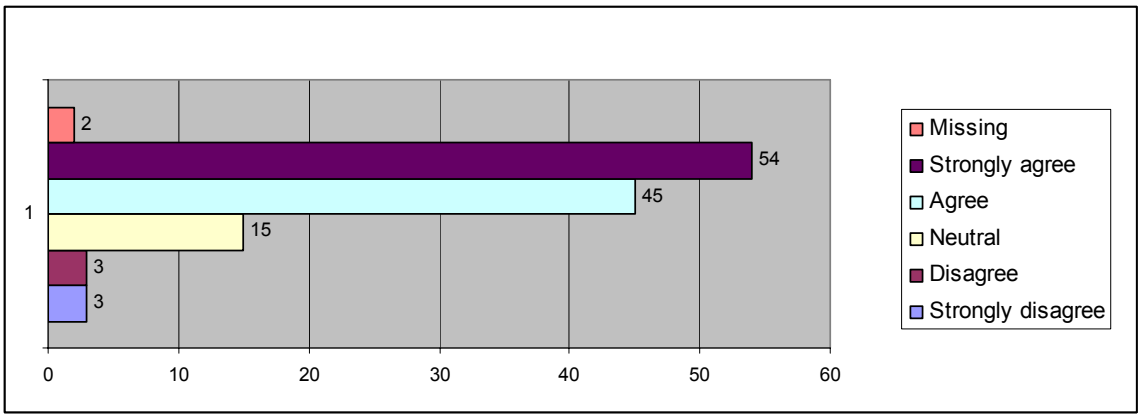
Figure 8: Respondents Development of a Business Plan



Of the total respondents, the majority (n=72) had not developed a business plan in contrast with 17 who had developed a business plan.

5.3.9: Employment Prospects on Completion of Studies

Figure 9: Likelihood of Accepting a Job with a Net Salary of R10, 000 per month



Of the total number of respondents, 99 agreed that they would accept a job that paid a net salary of R 10,000 net a month. This was the highest score received for all questions. From this we can infer that money is a strong driver for decisions made by the respondents.

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Table 6: Respondents Perception About the Level of Difficulty to Obtain a Job After Completion of Studies

It is difficult to obtain a tourism and hospitality job?	Frequency	Percent
Strongly disagree	6	4.9%
Disagree	20	16.4%
Neutral	**39**	**32.0%**
Agree	31	25.4%
Strongly agree	19	15.6%
Missing	7	5.7%
Total	**122**	**100%**

On the difficulty of obtaining a job in tourism and hospitality after completion of studies, 41% of respondents agreed that it was difficult while 21.3% indicated that it was not.

5.3.10: Experience in Tourism and Hospitality

Table 7: Respondents Experience in Tourism and Hospitality

Experience in Tourism and Hospitality	Frequency	Percent
Yes	64	52.5%
No	**57**	**46.7%**
Missing	1	0.8%
Total	**122**	**100%**

Of the total number of respondents 52.5% had experience in the tourism and hospitality sector while 46.7% had not. One respondent skipped this question. In terms of the organisations where the respondents worked, Proserve was the most mentioned by 20 of the 64 respondents who had work experience. Three respondents mentioned events

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company Consulting International. Two respondents indicated international experience in London and the USA. The following companies were mentioned once each: African Village at the World Cup; B and B markets; Bakgalta Resort; Capellos; Primi Piatti; First National Bank; Flight Centre; Garankuwa Hotel School; Grootvlei Mine Hotel; Johannesburg Country Club; Kariba Restaurant; Leopard Farm Lodge; NDT; Nkangala Hotel School; Onsite Events Management; Sun International; Thabethe Catering; Rennies; Tourism Junction Ethekwini; Tourism Indaba and Wimpy.

5.3.11 Influencers

Table 8: Influence by Family and Friends on the Respondents' Decision to Start a Business

Influence by Family and Friends	Frequency	Percent
Strongly disagree	10	8.2%
Disagree	21	17.2%
Neutral	26	21.3%
Agree	**45**	**36.9%**
Strongly agree	18	14.8%
Missing	2	1.6%
Total	**122**	**100%**

Family and friends are the strongest influencers on 51.7% (Agree 36.9% and Strongly Agree 14.8%) of respondents' decision to start a business.

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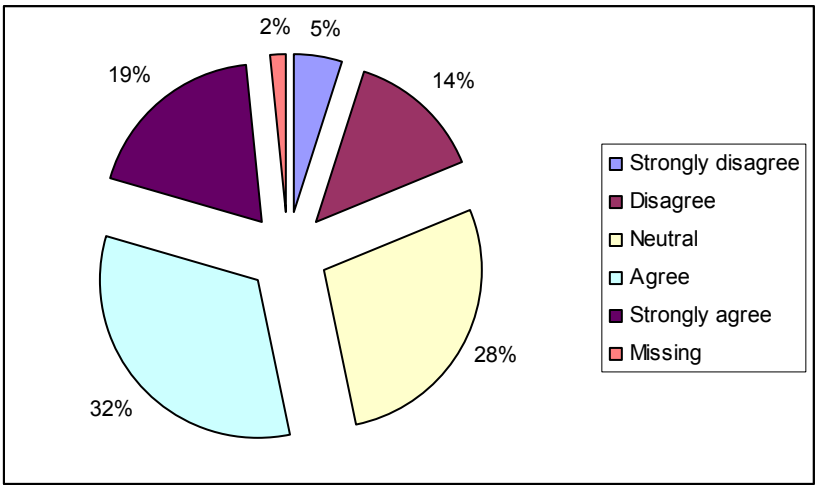
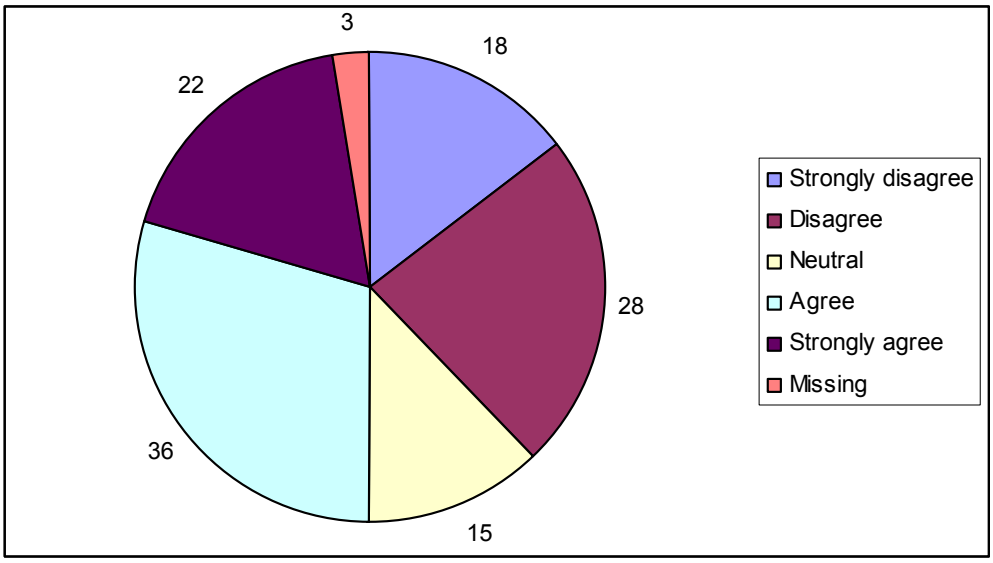
Figure 10: Influence by Mentor on the Respondents to Start a Business



A large number - 51% - of the respondents were influenced by their mentors to start a business.

Figure 11: Respondents Knowledge of Someone who runs a Tourism and Hospitality Business



The majority of the respondents - 58% - know someone who runs a tourism and hospitality business.

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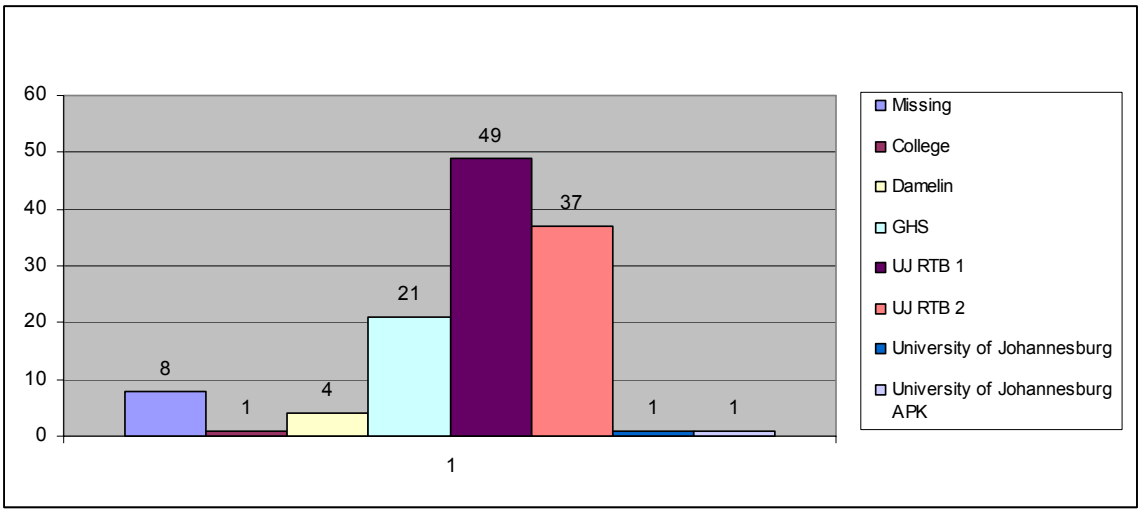
Table 9: Influence by Lecturer on the Respondents to Start a Business

Influence by Lecturer to Start a Business	Frequency	Percent
Strongly disagree	12	9.8%
Disagree	24	19.7%
Neutral	**32**	**26.2%**
Agree	31	25.4%
Missing	23	18.9%
Total	**122**	**100%**

The influence of a lecturer on a respondent's decision to start a business was the most varied. Of the respondents, 18.9%, skipped this question, 26.2% were neutral, 25.4% agreed, while 29.7% responded that they were not influenced by the lecturer.

5.3.12 Respondents' Institutions of Study and Course Suitability

Figure 12: Respondents Breakdown by Institution of Study



Of the total number of 122 respondents, 88 were from the University of Johannesburg: of these 49 were in first year and 37 were in their second year, while two respondents

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did not mention their year of study. Garankuwa Hotel School (GHS) had 21 respondents while Damelin College had 4. One indicated their institution simply as `college'. Eight respondents skipped the question and did not indicate their institution of study.

Table 10: Respondents Perception on Suitability of Course for Employment

Suitability of Course for Employment	Frequency	Percent
Neutral	21	17.2%
Agree	43	35.2%
Strongly agree	**55**	**45.1%**
Missing	3	2.5%
Total	**122**	**100%**

A large number of the respondents - 80.3% - believed that the course was suitable to prepare them for employment.

Table 11: Respondents' Perception on Suitability of Course for Self- Employment

Suitability of Course for Self-Employment	Frequency	Percent
Strongly disagree	1	0.8%
Disagree	6	4.9%
Neutral	22	18.0%
Agree	37	30.3%
Strongly agree	**49**	**40.2%**
Missing	7	5.7%
Total	**122**	**100%**

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On the suitability of the tourism and hospitality course for self-employment, 70.5% believed it to be suitable while 5.7% did not.

5.3.13 Type of Tourism and Hospitality Business

Table 12: Tourism and Hospitality Business Sub-sector

Type of Tourism and Hospitality Business	Frequency	Percent
Accommodation	28	23%
Tours and Travel	**55**	**45%**
Catering/Restaurant	36	30%
Adventure	16	13%
Other	5	4%

In terms of type of tourism and hospitality business that respondents would like to start, Tours and Travel was the most popular with 55 respondents, catering and the restaurant business followed with 36 respondents, accommodation with 28 and adventure with 16 respondents. Of the five respondents who selected 'other' business, four were event management companies and one was an airline.

5.3.14 Perceived Barriers

Table 13: Perceived Barriers to Tourism Hospitality Entrepreneurship

Barrier Description	Frequency	Percent
Limited Education and Skills	50	40%
Lack of capital/funding	**93**	**76%**
Lack of experience in the sector	70	57%
Industry-related barriers	47	38%
Lack of support and mentorship	38	31%

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Of the total respondents, 93 selected the lack of funding and capital as the highest perceived barrier. The second was the lack of experience in the sector with 70 respondents while lack of education and skills, industry-related barriers and lack of support and mentorship each had 50, 47 and 38 respondents respectively.

5.3.15 Reasons for Studying Tourism and Hospitality and Priority on Completion

Table 14: Reason for selection of Tourism and Hospitality Course

Reason for Selection of Tourism and Hospitality Course	Frequency	Percent
There are many jobs in tourism and hospitality	**62**	**50%**
I got a bursary	8	6%
I wanted to start a business in tourism and hospitality	58	48%
The institution is close to where I live	5	4%
The course was recommended to me by someone	17	14%
I did not qualify for any other course	10	8%
There is a lot of opportunities in tourism and hospitality	86	70%
Tourism and hospitality courses are very practical	60	49%

The reasons for selecting a tourism and hospitality course by the respondents were as follows:

- 86 respondents indicated that there are many opportunities in tourism and hospitality,
- 60 respondents indicated that tourism and hospitality courses are very practical,
- 62 respondents indicated that there are many jobs in tourism and hospitality,
- 58 respondents wanted to start a business in tourism and hospitality,
- 17 respondents took the course as it was recommended by someone,

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- 10 did not qualify for another course,
- while five lived close to the institution of study, and
- eight got bursaries for the course.

Table 15: Priority on Completion of Tourism and Hospitality Course

Priority on Completion of Tourism and Hospitality course	Frequency	Percent
Further Education and Training	58	48%
Get a job and earn a steady income	**60**	**49%**
Start a Tourism and Hospitality business	46	39%
Pay off Study loan	13	11%

On completion of their studies, 58 respondents will undertake further education and training, while 60 respondents will get a job and earn a steady income. 46 respondents indicated that they would start a business in tourism and hospitality while 13 indicated that they would prioritise paying off their study loan.

5.3.16 Core Skills Required for Starting a Tourism and Hospitality Business

Table 16: Most Critical Skills Required to Start a Tourism and Hospitality Business

Most critical Skills	Frequency	Percent
Marketing/Sales	**86**	**70%**
Logistics/Planning	42	34%
Strategy	49	40%
Finance	79	65%
Human Resources	49	40%

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In terms of the skills required to operate a tourism and hospitality business, 86 respondents indicated that marketing and sales was the most important skill, finance came second as mentioned by 79 respondents. Human resources and strategy were selected by 49 respondents each, while logistics and planning was selected by 42 respondents.

5.4 Cross-Tabulation Statistics

In addition to the descriptive statistics, cross-tabulations where drawn for comparison and to test hypotheses. The hypotheses were tested using Pearson Chi-Square at a significance level of 5% (0.05). The hypotheses are then approved or rejected based on the results. Typically, if the Chi Square value is less then 5% then we conclude that there is a significant correlation between the variables in the hypothesis - that the variables are dependent.

5.4.1 Hypothesis One

H1: The tourism and hospitality sector is attractive enough for youth entrepreneurs. To test this the sub-hypotheses H1a and H1b, a cross tabulation was done between 'likely to start a businesses' and 'likely to start a T&H business' in Table 17 below.

H1a: The tourism and hospitality sector is attractive enough for individuals who want to set up businesses.

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Table 17: Chi-square and cross tabulation on 'start a T&H business' and 'likely to start a business'

		Likely to start business					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Likely to start a T&H business	Strongly disagree	3	2	0	1	1	7
	Disagree	0	1	1	1	0	3
	Neutral	1	5	14	4	3	27
	Agree	0	5	19	17	6	47
	Strongly agree	1	1	2	10	21	35
Total		5	14	36	33	31	119
Pearson Chi-Square		**0.000**					

Result: Fail to reject null hypothesis due to low chi-square. This means that the hospitality and tourism sector is attractive enough for individuals who want to set up businesses

H1b: Individuals who have studied tourism and hospitality are more likely to set up business in the tourism and hospitality sector and than in any other sector.

Result: Fail to reject null hypothesis due to low chi-square. This means that individuals who have studied tourism and hospitality are more likely to set up a T&H business than in any other sector

5.4.2 Hypothesis Two

H2: Tourism and hospitality training courses are designed to equip students for employment and not for entrepreneurship.

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Table 18: Chi-Square and Cross Tabulation between 'the course prepared me for self employment' and 'the course prepared me for employment'

		Course suitable for self employment					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Course suitable for employment	Neutral	0	2	7	9	2	20
	Agree	0	4	11	19	8	42
	Strongly agree	1	0	4	8	**39**	52
Total		1	6	22	36	49	114
Pearson Chi-Square		**0.000**					

Result: Fail to reject null hypothesis due to low chi-square. This confirms that tourism and hospitality courses are designed more for employment and not entrepreneurship.

5.4.3 Hypothesis Three

H3: Individual personal characteristics determine the likelihood of setting up a business

H3a: Individuals with a higher risk tolerance are more likely to be interested in starting a business.

Table 19: Chi-Square Test and Cross-Tabulation between 'Starting a business perceived to be risky' and 'interest in starting a business'

		Likely to start business					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Risky to start own business	Strongly disagree	1	1	1	2	2	7
	Disagree	1	1	1	11	2	16
	Neutral	0	2	6	7	5	20
	Agree	1	5	11	7	14	38
	Strongly agree	2	4	12	5	7	30
Total		5	13	31	32	30	111
Pearson Chi-Square		**0.104**					

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Result: Reject Null Hypothesis due to High chi-square. This means that individuals with higher risk tolerance are not more likely to start a business or a tourism and hospitality business.

H3b: Previous work experience leads to greater interest in setting up a business.

Table 20: Chi-Square Test and Cross-Tabulation between 'interest in starting a business' and 'having experience in the T&H sector'

		Do you have experience in T&H		Total
		Yes	No	
Likely to start business	Strongly disagree	3	2	5
	Disagree	8	6	14
	Neutral	13	24	37
	Agree	21	12	33
	Strongly agree	19	12	31
Total		64	56	120
Pearson Chi-Square		**0.121**		

Result: Reject Null Hypothesis due to high chi-square. This means that previous work experience does not lead to greater interest in setting up a business.

5.4.4 Hypothesis Four

H4: Individuals are influenced by different people, in their decision to start a business.

In order to answer this question, cross-tabulation was done on the following factors:

- `Family and friends influence me to start a business' versus `mentor/role model influences me to start a business'.
- `Family and friends influence me to start a business' versus `lecturer influences me to start a business'.

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- `Family and friends want me to start a business' versus `interest to start a business'

H4a: Friends and family have a stronger influence than others to individuals wanting to start a business.

Table 21: Chi-square and cross tabulation of 'family and friends influence me' and 'mentor influences me'

		Mentor influence me					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Family and friends influence me	Strongly disagree	4	1	2	2	1	10
	Disagree	0	11	4	5	1	21
	Neutral	2	1	12	8	3	26
	Agree	0	4	13	19	9	45
	Strongly agree	0	0	3	6	8	17
Total		6	17	34	40	22	119
Pearson chi-square		**0.000**					

Table 22: Chi-square and cross tabulation of 'family and friends influence me' and 'lecturer influences me'

		Lecturer influences me				Total
		Strongly disagree	Disagree	Neutral	Agree	
Family and friends influence me	Strongly disagree	6	2	0	0	8
	Disagree	0	8	5	8	21
	Neutral	4	5	9	3	21
	Agree	1	7	14	13	35
	Strongly agree	1	2	4	7	14
Total		12	24	32	31	99
Pearson Chi-Square		**0.000**				

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Result: Fail to reject null hypothesis due to low chi-square. This means that family and friends have a stronger influence on the individuals who want to start a business than mentors and lecturers.

H4b: Individuals with family and friends' support are more likely to be interested in setting up a business than those without.

Table 23: Chi-square and cross tabulation of 'family and friends would like me to start a business' and 'likely to start a business'

		Likely to start business					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Family and friends want me to start a business	Strongly disagree	1	2	0	0	0	3
	Disagree	1	5	4	3	1	14
	Neutral	3	3	9	8	12	35
	Agree	0	3	15	11	7	36
	Strongly agree	0	0	9	11	11	31
Total		5	13	37	33	31	119
Pearson Chi-Square		**0.000**					

Result: Fail to reject null hypothesis due to low chi-square. This means that individuals with family and friends' support are more likely to be interested in setting up a business.

H4c: Individuals who know someone running a business more likely to be interested in setting up a business than those who do not.

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Table 24: Chi-square and cross tabulation of 'know someone' and 'likely to start business'

Know someone * Likely to start business Crosstabulation

		Likely to start business					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Know someone who runs a T&H business	Strongly disagree	2	4	6	3	3	18
	Disagree	1	5	9	4	9	28
	Neutral	0	0	7	4	4	15
	Agree	1	4	11	16	3	35
	Strongly agree	1	1	4	6	10	22
Total		5	14	37	33	29	118
Pearson Chi-square		**0.057**					

Result: Reject Null Hypothesis due to high chi-square of 0.057. However, this is only at a 5% significance level. At 10%, the null hypothesis would fail to be rejected. This means that knowledge of someone in business does not make an individual more likely to set up a tourism and hospitality business..

5.4.5 Hypothesis Five

H5: The external environment determines individual's interest in setting up a business.

H5a: Lack of employment opportunities leads to greater interest in entrepreneurship

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Table 25: Chi-square and cross tabulation of 'difficult to get a job' and 'likely to start a business'

		Likely to start business					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Difficult to get a job	Strongly disagree	0	1	1	2	2	6
	Disagree	2	3	5	7	3	20
	Neutral	1	3	13	13	9	39
	Agree	0	4	15	6	6	31
	Strongly agree	1	3	3	5	7	19
Total		4	14	37	33	27	115
Pearson Chi-Square		**0.59**					

Result: Reject Null Hypothesis due to high chi-square. This means that lack of employment opportunities in T&H does not lead to greater interest in entrepreneurship.

H5b: Training in the tourism sector leads to greater interest in setting up a tourism business.

Table 26: Chi-square and cross tabulation on 'start a T&H business' and 'likely to start a business'

		Likely to start business					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Likely to start a T&H business	Strongly disagree	3	2	0	1	1	7
	Disagree	0	1	1	1	0	3
	Neutral	1	5	14	4	3	27
	Agree	0	5	19	17	6	47
	Strongly agree	1	1	2	10	21	35
Total		5	14	36	33	31	119
Pearson Chi-Square		**0.000**					

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Result: Fail to reject null hypothesis due to low chi-square. This means that training in the T&H sector does not lead to greater interest in starting a business in the T&H business

5.4.6 Hypothesis Six

H6: Individual perception of the external environment, influences the perception of the barriers to entrepreneurship.

In order to answer this question, a cross-tabulation was generated between the perceived barriers and `perceived risk to start a business'

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Table 27: Chi-square of cross tabulation of 'barriers' and 'risk of starting business'

		Risky to start own business					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Barriers	Ed	1	1	0	1	1	4
	Cf	0	3	3	0	6	12
Key: Ed = lack of education and skills	Ex	0	0	1	5	0	6
	Ind	1	0	0	0	0	1
	Sm	0	0	0	1	1	2
Cf = Lack of capital and funding	EdCf	0	1	1	1	0	3
	EdEx	0	1	0	0	0	1
	EdInd	1	1	0	0	0	2
Ind = industry related barriers	EdSm	0	1	0	0	0	1
	CfEx	1	0	4	6	1	12
Ex = lack of experience	CfInd	0	1	0	4	0	5
	CfSm	0	1	1	1	1	4
Sm = lack of support and mentoring	ExSm	0	0	0	2	0	2
	EdCfEx	0	1	3	1	1	6
	EdCfInd	0	1	0	0	0	1
	EdCfSm	0	1	0	1	1	3
	EdExInd	0	0	1	0	0	1
	EdExSm	0	0	0	2	0	2
	CfExInd	0	0	2	0	7	9
	CfExSm	1	0	0	1	1	3
	CfIndSm	0	1	0	1	1	3
	EdCfExInd	1	0	1	5	1	8
	EdCfExSm	0	1	0	0	3	4
	CfExIndSm	0	0	0	3	1	4
	All	1	1	0	1	4	7
Total		7	16	17	36	30	106
Pearson Chi-Square		**0.009**					

Result: Fail to reject the null hypothesis. There is a significant direct relationship between the perception of the external environment in terms of risk and the perception of barriers to entrepreneurship. This is confirmed by a low chi square of 0.009.

5.4.7 Hypothesis Seven

H7: The personal characteristics of the individual determine their perception of the barriers to setting up a tourism business.

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Table 28: Chi-square and cross tabulation on 'barriers' and 'start a T&H business'

Barriers * Start a T&H business Crosstabulation							
		Start a T&H business					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Barriers	Ed	0	1	1	2	0	4
	Cf	1	0	1	4	6	12
Key:	Ex	0	0	1	4	1	6
Ed = lack of education and skills	Ind	0	0	0	1	0	1
	Sm	0	0	1	0	1	2
Cf = Lack of capital and funding	EdCf	0	0	0	2	1	3
	EdEx	0	0	1	1	0	2
	EdInd	0	0	1	0	1	2
Ind = industry related barriers	EdSm	0	0	0	1	0	1
	CfEx	0	0	5	5	4	14
	CfInd	1	0	2	1	1	5
Ex = lack of experience	CfSm	0	0	0	1	2	3
	ExSm	0	0	1	1	0	2
Sm = lack of support and mentoring	EdCfEx	1	0	1	1	4	7
	EdCfInd	0	0	0	1	1	2
	EdCfSm	0	0	1	3	1	5
	EdExInd	0	0	0	0	1	1
	EdExSm	0	0	1	0	1	2
	CfExInd	0	1	3	4	1	9
	CfExSm	1	0	0	2	0	3
	CfIndSm	0	0	3	1	0	4
	EdCfExInd	0	0	1	2	5	8
	EdCfExSm	0	0	1	1	2	4
	CfExIndSm	0	0	0	3	1	4
	All	2	0	2	3	1	8
Total		6	2	27	44	35	114
Pearson Chi-Square		**0.847**					

Result: Reject null hypothesis due to high chi-square

5.4.8 Hypothesis Eight

H8: The education and training an individual receives determines their perception of the barriers to setting up a tourism business.

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Table 29: Chi-square on cross tabulation of 'barriers' and 'study duration'

		Study Duration				Total
		Equal to 1 year	Equal to 2 years	Equal to 3 years	Equal to 4 years	
Barriers	Ed	0	0	5	0	5
	Cf	1	6	4	1	12
Key:	Ex	0	0	6	0	6
Ed = lack of education and skills	Ind	0	1	1	0	2
	Sm	0	0	2	0	2
	EdCf	0	2	1	0	3
Cf = Lack of capital and funding	EdEx	1	0	1	0	2
	EdInd	0	0	2	0	2
	EdSm	0	0	1	0	1
Ind = industry related barriers	CfEx	1	1	11	1	14
	CfInd	0	0	4	0	4
	CfSm	0	2	2	0	4
Ex = lack of experience	ExSm	0	0	2	0	2
	EdCfEx	0	0	7	0	7
Sm = lack of support and mentoring	EdCfInd	0	0	2	0	2
	EdCfSm	0	1	4	0	5
	EdExInd	0	0	1	0	1
	EdExSm	0	0	2	0	2
	CfExInd	0	0	8	1	9
	CfExSm	0	0	3	0	3
	CfIndSm	0	1	2	1	4
	EdCfExInd	0	0	8	0	8
	EdCfExSm	0	0	4	0	4
	CfExIndSm	0	1	3	0	4
	All	0	0	8	0	8
Total		3	15	94	4	116
Pearson Chi-square		**0.304**				

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Table 30: Chi-square and cross tabulations of 'start a T&H business' and 'study duration'

		Study Duration					Total
		Less than 1 year	Equal to 1 year	Equal to 2 years	Equal to 3 years	Equal to 4 years	
Start a T&H business	Strongly disagree	1	0	0	5	1	7
	Disagree	0	0	0	3	0	3
	Neutral	0	0	3	24	0	27
	Agree	0	2	8	35	2	47
	Strongly agree	0	1	6	26	1	34
Total		1	3	17	93	4	118
Pearson Chi-Square		**0.095**					

Result: Reject the null hypothesis due to low chi-square at a 5% confidence level. At a 10% confidence level, fail to reject the null hypothesis.

5.4.9 Hypothesis Nine

H9: Individuals with access to finance more interested in setting up a business than those who do not.

H9a: Individuals wit ha ccess to finance are more interested in setting up a business are more likely to start a business than those who do not.

In order to answer this question, cross-tabulation will be conducted on the following factors, `access to finance' versus `perceived barriers'.

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Table 31 : Chi-Square Test on Cross-Tabulation between `access to finance' and `interest in T&H business'

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.981[a]	16	**.144**
Likelihood Ratio	21.528	16	.159
Linear-by-Linear Association	.167	1	.683
N of Valid Cases	105		

Result: Reject null hypothesis due to high chi-square

H9b: Individuals with access to finance are more likely to have developed a business plan than those who do not.

Table 32: Chi-Square and Cross tabulation on 'developed business plan' and 'access to finance'

Developed a business plan * Access to finance Crosstabulation

		Access to finance					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Developed a business plan	Strongly disagree	13	7	0	0	0	20
	Disagree	9	20	8	3	2	42
	Neutral	3	9	7	5	1	25
	Agree	2	6	2	3	0	13
	Strongly agree	0	3	0	0	1	4
Total		27	45	17	11	4	104
Pearson Chi-square		**0.002**					

Result: Fail to reject hypothesis due to low chi-square. This means that respondents with access to finance are more likely to have developed a business plan

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Table 33: Hypotheses Results Summary

No.	Hypothesis	P - value	Decision
H1a	The T&H sector is attractive for individuals who want to set up businesses	0.000	Fail to reject
H1b	Individuals who have studied T&H are more likely to set up a business in the T&H sector than any other sector	**0.000**	**Fail to reject**
H2	**T&H courses are designed to equip students for employment, not for entrepreneurship**	**0.000**	**Fail to reject**
H3a	Individuals with higher risk tolerance are more likely to be interested in starting a T&H business	0.104	Reject
H3b	Previous work experience leads to greater interest in setting up a business	0.121	Reject
H4a	**Friends and family have a influence on individual to start a business more than others**	**0.000**	**Fail to reject**
H4b	**Individuals with family support are more likely to be interested in starting a business**	**0.001**	**Fail to reject**
H4c	Individuals who know someone who runs a business are more likely to be interested in setting up a business	0.057	Reject at 5% confidence level, however, Fail to reject at 10% confidence level
H5a	Lack of employment opportunities leads to greater interest in entrepreneurship	0.590	Reject
H5b	**Training in T&H sector leads to greater interest in setting up a T&H business**	**0.000**	**Fail to reject**
H6	**Perception of the external environment influences the perception of barriers to entrepreneurship in T&H sector**	**0.009**	**Fail to reject**
H7	Individual personal characteristics influence the perception of barriers to entrepreneurship in the T&H sector	0.847	Reject
H8	The training and education of the individual influences their perception of the barriers to entrepreneurship in the T&H sector	0.304	Reject
H9a	Individuals with access to finance are more interested in starting a T&H business than those who do not	0.144	Reject
H9b	**Individuals with access to finance are more likely to have developed a business plan than those who do not**	**0.002**	**Fail to reject**

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5.5 Regression Analysis

A regression analysis, with the independent variable being – interest in starting a T&H business, and the independent variables as: have developed a business plan, take a job of R10,000 a month, have access to finance, and family and friend support to start a business was performed. The adjusted r square was low indicating that the independent variables do not explain the dependant variables. The results indicated that family and friends were a significant independent variable. The regression therefore supported the importance of family and friends in encouraging entrepreneurship.

5.6 Interview Results

5.6.1 Introduction to Sample

The breakdown of demographics and descriptive statistics of interviewees are in the table below. There was a 50% response rate to the interviews. All the respondents are above 35 years in age hence non-youth.

Table 34: Summary of Interview Sample

Interview Respondents	Gender	Province	Tourism Sub-Sector
Respondent One	Male	Northern Cape	Guest House and Conference Centre
Respondent Two	Female	North-West	Cultural Village
Respondent Three	Male	Limpopo	Lodge and Conference Centre
Respondent Four	Female	Western Cape	Wine Tourism
Respondent Five	Male	North West	Tour and Travel Agency

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5.6.2 Emerging Themes from the In-depth Interviews

The next section outlines emerging themes from the in-depth interviews with the existing entrepreneurs. The full transcripts of the interviews are in Appendix D.

5.6.2.1 Educational Background and Work Experience

Education or work experience in the tourism and hospitality sector does not determine success in running a business in the sector. None of the five interview respondents had training in tourism and hospitality and only one respondent (20%), had previous experience in the tourism and hospitality sector in hotels and a provincial parks board. The respondents' educational backgrounds ranged from the social sciences and technical fields: these included marketing and sales, education, clinical psychology, accountancy and engineering. In terms of previous work experience, the respondents had been in sales, teaching, psychology, accountancy, travel, and tours.

The respondents indicated that their work experience did play a role in their new business. One respondent travelled extensively as a sales representative during which he stayed in various establishments and got to know what kind of guesthouses were on the market and what kind he was going to build. Interaction with the owners of the different guesthouse owners gave him insight into the operations and requirements of the business. Another respondent who previously worked as a teacher uses the very same skill while teaching at her cultural village, frequented by school learners. She noted that it was a transfer of skill in a different context. For another respondent his

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T&H sector experience was critical to identifying potential market opportunities that his previous employer was not exploiting. These opportunities are what he focused on and built a niche for his business.

5.6.2.2 Entrepreneurial History and Process

In terms of entrepreneurial history, three respondents (60%) had not been involved in business previously and the current business was their first venture. The other two had been involved with previous business ventures. One respondent had been involved with her husband's garage business prior to opening her own business. The other respondent was a serial entrepreneur who has had other business ventures in insurance, recruitment, and a travel agency prior to opening a lodge. He was constantly looking for opportunities in the market and had even sold two businesses that he considered unprofitable and too time consuming.

All respondents opened their businesses after leaving formal employment. In terms of the process followed, only one respondent indicated that he had developed a business plan prior to opening the business. All respondents mentioned identifying an opportunity and taking specific steps to get more information either from other entrepreneurs, family and friends to get started and then getting the business operational. One respondent indicated they used mainly the internet and international contacts as the main source of information. She highlighted the lack of local information

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on her wine tourism business despite the well-defined structure of the tourism sub-sector.

All the respondents had expanded their current businesses beyond the original idea and capacity. This has been through increasing the number of rooms for accommodation and conference facilities; expanding to a different location; diversification along the value-chain, for example, guesthouse and "tuk tuk" vehicles for tours; function venue at wine farm. Revenue streams were enhanced and new ones created to ensure growth of business.

5.6.2.3 Family Influence and Involvement in Business

Family played an important role in the setting up and operation of some of the businesses. Three respondents mentioned family in different ways such as: provision of access to resources like land and capital; co-ownership of business; working in business and determination of the choice of location of the business. Two respondents, both female, had family involved in running the business and in ownership. Including themselves, the first had a husband and son involved, while the other had a husband and three children involved in the business in various roles as full-time employees. These family members departed from lucrative careers in formal employment with the media, human resources and advertising, and jointly invested their resources in the family business venture.

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In terms of access to resources, two respondents mentioned family in terms of access to the land where the business was located. Access to free land is extremely critical in lowering the barriers to entry in accommodation type businesses. One respondent built his lodge on land inherited from family while the other built her cultural village on her husband's family land. Both were able to convert a family asset that was otherwise unused, into a profitable business.

In terms of location of the businesses, four respondents had set up their businesses in their home provinces, where they were born and bred. This was beneficial as there was established social capital and networks where the respondents understood the dynamics of the area to take advantage of the opportunity of starting the new business. Each province possessed unique attractions that were the basis for the creation of tourism products. Only one respondent left their home province and moved to another: they left Gauteng and moved to the Western Cape to run a wine tourism business.

5.6.2.4 Membership in Tourism Organisation and Support Organisations

In terms of membership of tourism organisations, only two respondents indicated that they were members of their provincial tourism organizations, as well as the sector specific associations SATSA and FEDHASA, where they were also office bearers. They indicated that they had gained training, networks and credibility by participating in these organisations. Those that were not members indicated that they perceived the processes for membership as cumbersome and complex, enough though the

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membership may have been beneficial. Two other respondents had accessed training on an *ad hoc* basis for staff; these services did not require full membership. All respondents indicated knowledge of institutions supporting tourism enterprises at a national, local and industry level.

5.6.2.5 Access to Finance and Capital

Entrepreneurs have to be creatively resourceful to start their businesses. Private sources have been the main source of funds for the establishment and expansion of businesses. All respondents made initial investment into their business through personal sources like savings, pension and sale of homes and cars. All respondents acknowledged that they were driven by economic potential and benefit of their businesses and not lifestyle or social motives. In terms of external sources of investment, two respondents were able to access this; one had received a loan from a funding institution and the other a grant from a provincial fund. In terms of re-investment into the business for expansion, the respondents have used both personal and external funds, including prize money from winning the ETEYA award. As mentioned in 5.6.2.4 above, family assets like land had been used and were leveraged to access additional resources. One respondent had a die hard view of the need to make personal sacrifices to raise funds for initial investment. `I sold my house and cars. If I had a wife, I would have sold her as well!'

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5.6.2.6 Challenges and Barriers Experienced

All interview respondents faced different barriers and challenges. The lack of transformation and domination of white-owned business in the sector was mentioned by three respondents. Another mentioned that black-owned enterprises had only scratched the surface and were fighting against all odds to capture to gain more market share. The other mentioned barriers when overcome were actually opportunities and gave the example of preferential procurement policies from government or niche opportunities like township businesses. There was an opportunity to service the non-white market as well through the businesses; however, this market was not considered as high growth as the international clients who were served by the white-owned or larger businesses.

Access to markets was the other challenge mentioned. One respondent had to travel on his own account to international destinations to market his services directly to potential clients, especially for the World Cup 2010. This was especially important for emerging entrepreneurs to build a profile and networks as established businesses had long established networks due to longer tenure in the business. Another respondent indicated that 95% of her business was international. It had been difficult to penetrate local markets, but through the internet and other networks, she had captured the UK, US and Nigerian markets.

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In terms of human resources management issues, the respondents faced a number of challenges. For one respondent, the recession affected the business cashflow to the extent that she had to retrench 50% of her staff. She indicated that entrepreneurs needed to be flexible enough to adjust to the environment accordingly to remain sustainable. On staff recruitment and retention, one of the respondents indicated that there were no qualified personnel for management positions available from the local community where the business was located. He therefore had to poach employees from city hotels and pay premium salaries to attract and retain them. He also indicated that some of his staff had been affected by HIV/AIDS, which meant he had to allocate resources for prevention and management of the disease amongst his staff. Another respondent indicated that a challenge for the business was lower level staff like waiters who were easy to hire, but difficult to retain due to high turnover experienced, which pushed up training costs.

The respondents also indicated that cash flow management was another barrier. One respondent indicated that benefiting from government contracts through preferential procurement was great on the one hand, but on the other, he had to be very strict with management of the payment cycles and followed budget cycles and disbursements very carefully. His accounting background helped in this. Two respondents indicated that they had to lower prices on accommodation because they had been priced out of reach of their clients. This meant that revenue projections for that period had to be adjusted

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accordingly. Lower prices ensured higher occupancy of rooms. One respondent indicated that poor revenue and cash flow led to staff retrenchment.

5.6.2.7 Mentorship and Support

Respondents did not receive any formal mentorship support. Peer mentoring was mentioned by two respondents who indicated that they were in constant communication with industry peers on business matters, especially fellow winners of the ETEYA award. One respondent indicated that she received mentoring from a neighbouring wine farm owner and an international contact. These relationships had to be developed by the respondents themselves and not through formal organisation channels. They sought the mentors because they saw value in learning from another entrepreneur's experience. Another respondent indicated that running his own businesses was like `paying school fees'. He learnt from his staff and from taking on different roles in his business. `I'm everything, today I'm the builder, tomorrow the contractor, the next day the cook. I do not need a school, this business is my school everyday'.

5.6.2.8 Successes Experienced

Entrepreneurs considered it a great achievement to have a sustainable growing business. They indicated that start-ups close in the first three years of operation. All respondents mentioned this as their biggest success in addition to being able to grow their business.

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As a collective, the five respondents created jobs in their businesses for both permanent and temporary employees. There were 94 full-time employees at the respondents' businesses, which is an average of 19 employees per business. This shows the great potential of the tourism sector for employment as it is labour intensive.

Three respondents had been able to access international markets for their businesses. Two of them secured the international clients on their own, while the other was supported by the Department of International Co-operation (former department of Foreign Affairs) and missions abroad.

5.6.2.9 Impact of Award on Business

All respondents acknowledged the recognition received from winning the award. In addition, the award raised their profile in their communities as they were featured in media.

5.7 Conclusion

Data analysis has been done according to the research questions. First both the survey and interview samples were discussed, thereafter the descriptive analysis was done highlighting the frequencies and percentages of respondents per specific questions. Hypothesis testing followed using cross tabulations and chi-square analysis. Of the 15 hypotheses, seven were rejected at 5% confidence level. One was rejected at 5%

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confidence level but at 10% confidence level it failed to be rejected. Finally a regression and correlation was done. Content analysis of the interviews highlighting emerging themes concluded the chapter.

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CHAPTER SIX: DISCUSSION OF RESULTS

6.1 Introduction

In this chapter, the results and findings of the research study shall be discussed in detail, organised according to the significant findings and emerging themes. The researcher will integrate the findings from both the survey and the interviews with the literature and purpose of the research.

6.2 Discussion of Research Results

6.2.1 Attractiveness of the Tourism and Hospitality Sector

The tourism sector is attractive for entrepreneurs. Of the survey respondents surveyed, more respondents indicated that they would start a T&H business than those who were likely to set up a general business. In terms of the existing entrepreneurs, even though none trained in T&H, they saw the opportunity to create successful businesses in the sector. Despite large companies dominating the sector, small, micro and medium businesses have an opportunity to position themselves and develop niche products and services for a select group of clients. The various South African provinces offer a variety of natural endowments and attractions, creating different levels of entry into T&H business and different incentives are provided in each province.

In terms of the reasons for the choice of study in T&H, the top three reasons were: presence of many opportunities in the T&H sector; there are many jobs in T&H; and T&H courses were more practical. The fourth reason on the list was that respondents

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wanted to open tourism and hospitality businesses. This confirms from the sample that the sector is perceived to be attractive both in terms of employment opportunities as well as in terms of entrepreneurial opportunities. This is especially important in South Africa where unemployment is high, especially within the cohort of majority of the respondents, 18-24 years - securing a means of income either during or on completion of studies is very important.

The majority of the respondents were female at 79%, which indicates that the sector is especially attractive to women. The researcher did not find any supporting evidence to explain why women were more interested in this sector. It is interesting to note, however, that of the five respondents from the existing entrepreneur's sample, the two female respondents' businesses included family members, both spouses and children. The influence and tendency of the female entrepreneur to involve members of her household should perhaps be investigated further.

6.2.2 Barriers to Tourism Entrepreneurship

In terms of barriers, survey respondents indicated the lack of capital and funding as the most mentioned barrier, followed by lack of experience in the sector, and lack of education and skills. Further, only 34 of survey respondents had savings, and 13.1 % had access to finance. Of the respondents who wanted to start businesses, the majority of respondents indicated the type of business they would most likely open would be a tour and travel business, followed by a restaurant and catering. Both these types of

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businesses require high levels of initial investment for asset acquisitions. Paulson and Townsend (2004), indicate that because most youth-owned businesses source initial investment from family and friends, this provides added pressure and incentive for the entrepreneur to succeed because they do not want their loved ones to be out of pocket for too long. The problem of access to finance due to lack of collateral can be addressed through the creation of innovative products and services to serve this market such as guarantee schemes, which provide access to assets or working capital and low amounts of seed capital

In terms of gaining experience in the sector, the training and education institutions respondents attend have a mandatory in-service period at a company as part of their course requirement. About 50% of the respondents had experience in the T&H sector already, without having attended in-service training. However, for the existing entrepreneurs, the barriers mentioned were related more to the operations of the business. Two respondents mentioned the issue of lack of transformation in the sector in relation to domination by big businesses and white-owned businesses. This presented emerging entrepreneurs with the uphill task of marketing their businesses to a level where it was easy to penetrate markets. A respondent mentioned stiff competition especially in his sub-sector, the tour and travel sub-sector. In relation to finances, two respondents mentioned cash flow management, especially during periods like the recession when business was low. The development of appropriate tourism products to suit the needs of the clients were highlighted by two respondents relating to their

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accommodation businesses. The guesthouses that had initially been graded as four star and three star establishments were downgraded because they realised that their client base required less. In doing this, they were able to maintain sustainable occupancy level and attract more clients, grow the market, and expand the business accordingly. They were able to expand their client base to people who previously could not afford their services. Another respondent who indicated that it was easier for her to get information from international sources and to access international markets compared to local sources in her wine tourism business. In addition, she also indicated the saturation of local markets made it very difficult for new entrants to penetrate and gain market share. Rather than compete, exploring international markets was an opportunity for her business.

The difference between the perception of barriers between existing and prospective entrepreneurs needs further investigation. A key lesson is not to treat the barriers as homogeneous when dealing with individuals at different entrepreneurial levels. Prospective entrepreneur interventions should address the specific barriers identified with the group. Knowledge a T&H business owner did not result in higher interest to open a business among the survey respondents. Exposure to successful entrepreneurs should be encouraged to learn about the process of setting up a business, and identifying the barriers and identify opportunities better. There is a great opportunity to enable T&H students to gain the practical experience component of their course in an emerging tourism enterprise rather than an established business. Taking the step

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beyond knowledge of an entrepreneur to being involved in an entrepreneur's business should affect the individual more. Learning from an entrepreneur firsthand enhances the practical element of their learning. Existing entrepreneurs should be incentivised to take on these learners as prospective entrepreneurs through mentorship.

An individual's background and character affects their view of the world, hence how they perceive barriers. One of the interview respondents indicated that he viewed regulation as an enabler rather than a barrier. When he acquired his liquor licence, it enabled him to reach a wider market. While some individuals would choose not to comply with regulation and operate informally or without compliance to the laws. He sees compliance to regulation as a competitive advantage, which allows him to compete with the larger established businesses. Another respondent gave the example of the process of acquiring her export documentation. She opted for a parallel approach where she went ahead to contact international suppliers and contacts while awaiting approval of the said export licences that would enable her to conduct business out of the country. She did not let the licensing issue stop her from getting on with her business.

Entrepreneurs must creatively solve barriers and challenges that they face. In terms of competition in the tourism sector, two respondents indicated that competition and lack of transformation in their selected sub-sector of a guesthouse and tour and travel company, led them to identify business opportunities that they exploited. One respondent opened his guesthouse in the township where he grew up and knew people.

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His clients are mostly visiting family and friends who can now stay close to the families that they are visiting. He had a monopoly in the township and did not face the intense competition faced by the other guesthouses in town or the suburbs. The other indicated that after working for a large white-owned business, he identified niche opportunities that his employer would not deem valuable and set up his business to take advantage of these.

6.2.3 Training and Education in Tourism and Hospitality

All the survey respondents were currently enrolled in T&H courses. The majority of the respondents 45%, indicated that the T&H course was better suited to prepare them for employment than for self-employment. They recommended various improvements to their courses to better prepare them for entrepreneurship. These included: making the course more practical; inviting guest lecturers from the industry; providing holiday jobs; introducing business modules in the curriculum; exposure to entrepreneurs; visits to tourism-related organisations; and teaching of business skills and business plan development. Based on the respondents' comments, the current curriculum does not cover business-related subjects adequately. The researcher could not determine which institution, if any, had incorporated entrepreneurship education into their curriculum.

In terms of priority on completion of studies, 60 (49%) of the respondents indicated that they would like to get a job and earn a steady income, while 58 would undertake further education and training, and 46 indicated they would start a T&H business. These responses are surprising considering that 52% had expressed interest in starting a

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business. Even though the majority of young people are still more interested in getting a job than starting a business, there is an opportunity to highlight entrepreneurship as an economically viable option on or before completion of studies. Institutions providing entrepreneurship support services should identify institutions of higher learning as critical partners and ensure that they develop tailor-made programmes for this cohort. The development of initiatives to harness interest to start a business should result in more entrepreneurship.

Formal training in T&H is not required to start a business in the T&H sector, however, on-the-job training or specialised training has been mentioned as very useful in terms of building necessary knowledge. As none of the existing entrepreneurs had formal training in a T&H course, and had different educational backgrounds, it is clear that business skills are transferrable across sectors. They adapted their knowledge and skills to make their business succeed. In addition, they sought knowledge and information about the sector and hired the necessary qualified personnel to assist in implementing their idea. In that regard then, the training and education in T&H is not critical, rather if one possesses entrepreneurial characteristics, it is possible for them to start a business and gain practical knowledge as the business progresses. The interview respondents also highlighted the value of the on-the-job training received from the provincial associations and private practitioners for their staff and themselves.

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6.2.4 Entrepreneurs' Personal Characteristics

Individual characteristics greatly influence likelihood in setting up a business. The entrepreneur is the innovator (Ma & Tan, 2006). From the survey, both risk tolerance and work experience did not lead to greater interest in business among the respondents as expected. However, among the interview respondents, personal and individual characteristics, especially inherent and acquired abilities, played a critical role in the success of the venture (Nieman & Nieuwenhuizen, 2008). All respondents displayed great passion and vision and they sought to exploit the identified opportunities to create successful sustainable business. For example, two respondents mentioned that their businesses were located on family land. The family viewed the land as remote, rocky and unusable, so the respondents were able to use it for free. It may be inferred that other family members had the same access to the resources, but did not link the resources to a great opportunity. Another interview respondent, together with all family members, moved to a different province and pooled their skills in human resources, academics, media, psychology and advertising into their new wine tourism business. They jointly applied their existing skills in a new context, they built their human capital. This is linked to Unger *et al*, (2009) who indicate that the context and process followed by an entrepreneur is critical to the success of a new venture. These respondents saw an opportunity where others did not, and risked investing their own resources as the initial investment into their businesses that may have failed.

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6.2.5 Entrepreneurship Motivators and Influencers

The survey results indicate that family and friends were the greatest influencers and motivators to an individual's decision to start a business. Family and friends not only provide resources or technical support but also affirmation and encouragement in an individual's venture. Mentors, role models and lecturers were also mentioned as a positive influence to the survey respondents to opening a business. However, these two categories scored lower than family and friends. For the promotion of an entrepreneurial culture, the family environment is very important. How young people are socialised at a young age influences them in the future. Youth spend their formative years with family and friends and it is critical to influence them to cast their net wider for economic opportunities and not solely rely on jobs and employment. Therefore, when providing information on the process of starting a business, marketing of available resources and support for entrepreneurs, the message should be targeted to a wider audience of all possible influencers.

In terms of knowledge of someone running a T&H business, two existing entrepreneurs had family members involved in the business and another two mentioned their reliance on peer support from entrepreneurs like themselves. Two respondents - one in wine tourism, and the other running a guesthouse had relied on extensive research with owners of existing businesses before starting their businesses. They ventured out and established new relationships with those who were successfully involved in their area of interest and learnt from them. This would require humility and trust. It is likely that

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because of the assistance received, they too would be willing to share their knowledge with prospective entrepreneurs.

6.2.6 The External Environment

The external environment consists of the supportive environment and the co-operative environment (Nieman & Nieuwenhuizen 2009). Training and development of practitioners in the sector as well as institutions involved in creation and sustainability of firms are part of the external environment. From the survey respondents, the lack of opportunities in the sector did not lead to greater interest in entrepreneurship. However, 52% of respondents were likely to start a business. Necessity entrepreneurship is linked to lack of opportunities and high unemployment, which leads to people setting up survivalist businesses to survive. However, rather than think of this option, the majority of the survey respondents indicated that even though jobs were difficult to get, getting a job and earning a steady income was still their main priority on completion of studies.

In terms of knowledge-support institutions, interest in starting a business was low among survey respondents, even among those who also had knowledge of support institutions, and very few had contacted them. In terms of the existing entrepreneurs who knew of support organisations like the Tourism Enterprise Partnership, banks, provincial tourism associations and tourism organisations, they had not solely relied on them during the establishment of their businesses. This was because they found it

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complex and bureaucratic and their processes took too long. Only one respondent indicated that he had been involved in business before, four respondents indicated that it was their first business that they opened after a period of employment. Their entrepreneurial motives were driven more by opportunity than by necessity.

The difference in perception of the survey and interview respondents, of the barriers to entrepreneurship, stemmed from their different exposure to the environment. For the survey respondents who as students are in the main still dependent on parents and guardians, the majority aged between 18-24 years had not built up social networks and capital or been exposed to the world of work. This on the other hand would allow them to take higher risks due to the lack of financial or family obligations. The attitude would be that failing while young would not be a big hurdle as they can always start again and learn from mistakes made. On the other hand, youth may choose to make conservative choices to build a good foundation for the future and not waste their opportunities.

The existing entrepreneurs have benefited from a wealth of experience in life and at work. They have well-developed social and business networks, which they call upon as clients and business partners. However, they may be less risk tolerant as they take conservative decisions to protect their hard-earned wealth and assets. They may also have families which they are supporting and hence need to ensure their financial needs are catered for like school fees and home mortgages. On the other hand, they may take greater risks backed by their accumulated resources.

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The differences in both the survey and existing entrepreneurs determine the choice of sub-sector that their businesses would be opened in. The different sub-sectors have varying levels of investment required and associated risks. The respondents from the survey selected tour and travel businesses as the most popular and the catering/restaurant business second. The existing entrepreneurs had made diverse choices across all sub-sectors. The trends in the environment related to use of technology and business disintermediation may influence sub-sector choices of the businesses.

6.2.7 Access to Finance and Funding

As expected from the survey, respondents with access to funding and those who had savings and no debt were more interested in setting up a business than those who did not.

In terms of the existing entrepreneur respondents, all had started their business through personal sources from savings, sale of assets (home and car) and pensions. Two received further funding from external sources for expansion while all respondents indicated re-investment in the business.

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6.2.8 Conclusion of Key Findings:

The study confirms that the tourism and hospitality sector is attractive for entrepreneurs and presents many opportunities. There are a number of institutions providing training and education as well as entrepreneurial and industry-specific services to individuals and organisations in the sector. These are available at a local, provincial or national level. The prospective and existing entrepreneurs face different barriers related to their entrepreneurial level. An individual's personal characteristics, inherent and acquired abilities also influence how they view these barriers and what steps they take to overcome and deal with these barriers. Both prospective and existing entrepreneurs are interested in starting a business in the T&H sector and its different sub-sectors. They do so by investing own resources or through the assistance of family and friends.

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CHAPTER SEVEN: CONCLUSION

7.1 Introduction

In this chapter, the research objectives shall be reviewed and recommendations drawn from the research findings and related conclusions. This study sought to identify barriers and facilitators to entrepreneurship in the tourism sector, especially for the youth. The researcher compared a sample of existing entrepreneurs with a group of students studying courses in Tourism and Hospitality. Both qualitative and quantitative research was done.

7.2 Review of Research Objectives

7.2.1 To identify the barriers faced by existing tourism entrepreneurs and how these have been overcome to ensure success and sustainability.

7.2.1 To identify the motivation factors or influencers for prospective entrepreneurs to start or not start a business in tourism.

7.2.2 To make recommendations for the enhancement and improvements on tourism and hospitality entrepreneurship support, based on perceived barriers faced, and opportunities identified in the sector

7.3 Summary of Key Findings from Research

The research addressed the objectives that were set out as in section 7.2 above. The barriers for the existing entrepreneurs were identified as cash flow management, lack of transformation in the sector, tough competition and product development to suit

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market needs. The existing entrepreneurs succeeded against all odds, without training in the sector nor support from organisations. It is likely from their current track records that they would succeed in whatever sector where an opportunity is identified and pursued. This confirms the trait theory that entrepreneurs are born, not made.

However, for the survey respondents or prospective entrepreneurs, whilst the majority are interested in business, among these may exist a group of entrepreneurs who will succeed, at setting up a new venture. The others, given the right support, information and opportunities they can be encouraged to try their hand at business. An important finding was the tension between the respondents desire and reality. Despite the fact that majority of the prospective entrepreneurs desired to start a business in tourism and hospitality, they would still opt to get a job and earn a steady income on completion of their studies or continue with their education and training. Their desire did not lead them to develop a business plan or contact entrepreneurship support institutions that they knew about. There is therefore the opportunity to improve the supportive and co-operative environment to drive more prospective entrepreneurs to start businesses.

7.4. Recommendations to Stakeholders

This study has provided useful insights, which are categorised as recommendations to various stakeholders. These are discussed below:

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7.4.1 Entrepreneurship in the Tourism Sector

The study confirmed that entrepreneurship in the tourism and hospitality sector is a key driver to the growth of the sector. The sector offers a variety of opportunities in the sub-sectors that require different levels of resources and investment. The study exposed entrepreneurship at different levels:

- Family entrepreneurs like the wine tourism business and the cultural village
- Serial entrepreneurs like the owner of the lodge and conference centre who had owned other businesses in recruitment and travel agencies and sold them
- Growth entrepreneurs like all five existing entrepreneurs who had started their businesses and expanded them over time to include additional components on the value chain or grown to different locations.
- Prospective entrepreneurs like the survey respondents who are currently studying but have a interest to start T&H businesses.

7.4.2 Support for Entrepreneurs in the Tourism Sector

Institutions providing entrepreneurship support services should identify other institutions of higher learning as critical partners, and ensure that they develop tailor made programmes together for this cohort. Incentivising SMMEs to take on tourism and hospitality students as part of the practical component of the course would be more useful in exposing them to entrepreneurship than a large company.

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The current entrepreneurship support initiatives like TEP and tourism sector organisations target their interventions to existing businesses. There is a need for the creation of prospective entrepreneur initiatives for both youth in-school and out-of-school and the unemployed.

7.4.3 Entrepreneurship Education in Tourism and Hospitality Training

A key recommendation by the students was to include business and management skills into the T&H course curriculum. Currently the ongoing discourse is about the incorporation of entrepreneurship education in the curriculum of business related courses like the Masters in Business Administration (MBA) or Commerce and Economics courses. Incorporation into T&H courses would be most useful. An analysis of the T&H course curriculum and the incorporation of entrepreneurship education is recommended.

7.5 Research Limitations

- The tourism and hospitality students were used as a proxy for prospective tourism and hospitality entrepreneurs in this study. The cohort of unemployed graduates or youth in general would have been useful as well. However, given the time and resource limitations, this group was excluded from the study.
- The study had a very limited scope due to time and resource limitations.

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7.6 Recommendations for Future Research

- Investigation of reasons why more females were enrolled in tourism and hospitality courses and how this influenced the structure of the sector as a whole.
- Investigation of inclusion of entrepreneurship education in the tourism and hospitality sector education and training courses.
- Inclusion of expert interviews from the entrepreneurship support institutions or the training and hospitality institutions.
- Impact of entrepreneurship education in tourism and hospitality education and training

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9. APPENDICES

APPENDIX A: EXISTING ENTREPRENEUR INTERVIEW GUIDE

Interview Consent Section

The Tourism and Hospitality sector has grown over the past years and provides a lot of opportunities for entrepreneurs. A research study on tourism entrepreneurship and specifically on the barriers faced by young entrepreneurs is being conducted as part of my requirements for the fulfillment of my MBA degree at University of Pretoria. The outcome of the research is to develop a model to assist more youth to enter this growing and lucrative sector.

This interview is for the purposes of understanding the process of setting up and operating a tourism business in South Africa. You have been selected as you meet the criteria for a successful existing tourism entrepreneur as a winner of the Emerging Tourism Entrepreneur Award (ETEYA). The information collected will be treated in confidentiality; no names will be used in the report.

Your participation in this research is voluntary and you can withdraw at any time without penalty. All information received from you will be treated confidentially. If you have any concerns, please contact me or my supervisor on the details below:

Research Student: Ms. Mercy Mureithi

Email: mmureithi@nyda.gov.za

Phone: 082 553 2354 or 011 695 0946

Research Supervisor: Ms. Zenobia Ismail

Email: zismail@idasa.org.za

Phone: 084 478 3693 or 012 392 0538

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Existing Tourism Entrepreneur Interview Guide
Business Type: Province: Age: Gender: Demographic group:
1. Please tell me about yourself and your business. 2. What is your educational background? 3. What is your work experience? What impact or influence has your previous work experience had on the business? 4. What motivated you to start a tourism business? Did you consider any other sectors? 5. Are any family members involved in your business? If so, in what capacity? 6. When did you start and what process was followed? For example to register and start operating 7. Are you a member of any tourism sector organization or association e.g. SATSA; Provincial Tourism Association? How have these organizations helped your business? 8. Did you need any capital to start your business? How did you obtain this? Was it through personal sources or external institution? 9. Have you received any business support from any organisation for example mentorship, funding, training? If so from whom or from what organisation?

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10. How many employees does your business have? How did you source these? Have they needed training and development?

11. What determined your choice in business location? How did you secure it?

12. What have been the biggest challenges or barriers you experienced so far (for example seasonality, regulation, competition)? How did you overcome these?

13. What are the biggest successes that have had in your business so far?

14. What advice would you give someone, especially a young person, interested in setting up a tourism business?

15. Do the tourism and hospitality courses currently offered by institutions assist someone who wants to start a business? How can they be improved?

16. What did winning the ETEYA award do for your business? Why do you think you emerged the winner?

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APPENDIX B: FACULTY LETTER REQUESTING SURVEY

10 July 2010

Prof E Heath

Head: Department of Tourism Management

University of Pretoria

Contact details: Tel: (012) 420-4000

E-mail: ernie.heath@up.ac.za

Dear Sir,

Tourism has grown over the past years and provides a lot of opportunities for entrepreneurs. I am conducting a research on tourism entrepreneurship and specifically on the barriers faced by young entrepreneurs, in order to fulfill the requirements of my MBA degree at the University of Pretoria's Gordon Institute of Business Science (GIBS). The outcome of the research is to develop a model to assist more youth to enter this growing and lucrative sector.

One of the sections of this research requires conducting a survey with students in tourism to investigate their motivation to entrepreneurship, perceived barriers and knowledge of the business environment. I would therefore like to request an opportunity to visit your institution and students for a one hour session to distribute the

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survey questionnaire attached. The survey will take place on 10 - 20 August 2010. Kindly advice on the best available time for this exercise.

For further information, kindly contact the research student and research supervisor on the details below:

Research Student: Ms Mercy Mureithi

Email: mmureithi@nyda.gov.za

Phone: 082 553 2354 or 011 695 0946

Research Supervisor: Ms Zenobia Ismail

Email: zismail@idasa.org.za

Phone: 084 478 3693 or 012 392 0538

Yours sincerely,

Mercy Mureithi

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APPENDIX C: TOURISM STUDENT SURVEY

INTERVIEW CONSENT SECTION

Dear Respondent,

The Tourism and Hospitality sector has grown over the past years and provides a lot of opportunities for entrepreneurs. A research study on tourism entrepreneurship and specifically on the barriers faced by young entrepreneurs is being conducted as part of my requirements for the fulfillment of my MBA degree at University of Pretoria. The outcome of the research is to develop a model to assist more youth to enter this growing and lucrative sector. This outcome of the research is to develop a model to assist more youth to enter this growing and lucrative sector.

Your participation in this research is voluntary and you can withdraw at any time without penalty. All information received from you will be treated confidentially. No names will be requested and recorded in the research. If you have any concerns, please contact me or my supervisor on the details below:

Research Student: Ms Mercy Mureithi Phone: 084 478 3693 or 012 392 0538

Email: mmureithi@nyda.gov.za

Phone: 082 553 2354 or 011 695 0946

Research Supervisor: Ms Zenobia Ismail

Email: zismail@idasa.org.za

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A: Demographic Information: This section is about the respondent's demographic information

1. Age

☐ 18-24 years ☐ 25-30 years ☐ 31-35 years ☐ Over 35 years

2. Gender

☐ Male ☐ Female

3. Race:

☐ Black ☐ White ☐ Indian ☐ Coloured

4. The duration of my course is:

☐ Less than 1 year ☐ 1 year ☐ 2 years ☐ 3 years ☐ 4 years

5. My home province is:

☐ Western Cape ☐ Eastern Cape ☐ Northern Cape ☐ Limpopo
☐ Free State ☐ Kwa Zulu Natal ☐ North West ☐ Mpumalanga ☐ Gauteng
☐ Other

_____

B: Entrepreneurial Motivation: This section refers to the respondent's personal characteristics and risk orientation.

6. I am likely to start my own business on completion of my studies

☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

7. I would like to start a tourism and hospitality business

☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

8. My family and friends would want me to start my own business

☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

9. It is risky to start your own business

☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

10. I have access to finance to start my own business

☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

11. If I was offered a job which paid a net salary of R 10,000 a month, I would take it

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☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

12. It is very difficult to get a job after completing tourism studies
☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

13. I have developed a business plan for my business
☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

14. My tourism and hospitality business would be in the following sub-sector:
☐ Accommodation ☐ Tours and Travel ☐ Catering/Restaurant ☐ Management
☐ other

15. I have some work experience in the tourism and hospitality sector
☐ Yes ☐ No

☐ If Yes (please specify company) _____

16. The following are the core skills I need to start my own business
☐ Marketing & Sales ☐ Strategy ☐ Finance ☐ Human Resources ☐ Logistics

---

C: Perceived influencers to entrepreneurship: This section is about the people that influence the respondent's attitude towards entrepreneurship

17. My friends and family are the greatest influence of my decision to start my own business
☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

18. My mentor/role model is the greatest influence of my decision to start my own business
☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

19. I know someone who has a tourism and hospitality business
☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

20. My lecturer is the greatest influence of my decision to start my own business
☐ Strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

---

D: Knowledge of support organisations: This section tests the respondent's knowledge of support organisations in tourism and hospitality.

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21. I know the following are organisations that can assist me to start my tourism and hospitality businesses

☐ _____
☐ _____
☐ _____
☐ _____

22. Of the institutions indicated above, I have contacted the following:

☐ none
☐ _____
☐ _____
☐ _____

E. Perception of barriers. This sections tests what the respondent perceives as barriers to entrepreneurship

23. To start my own business, I have to overcome the following barriers:
☐ Lack of relevant skills and education
☐ Lack of capital/funding
☐ Lack of experience in the tourism sector
☐ Tourism industry related barriers
☐ Lack of mentorship and support

F. Savings and Debt: This next section review the respondents savings and debt culture

24. Do you have any savings?
☐ Yes ☐ No
If Yes (please specify amount) _____

25. Do you have any of the following?
☐ Store card e.g. Edgars, Woolworths
☐ Student Loan
☐ Mortgage/Bond
☐ Car loan
☐ Credit card
☐ None

26. How much debt do you have?
☐ Less than R 10,000 ☐ Between R10, 001 – R 50,000 ☐ Over 50,000 ☐ None

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G. Training in Tourism and Hospitality. This section deals with the various tourism and hospitality courses that respondents are enrolled for.

27. Please indicate the name of your institution (University or College)
_____

28. The course curriculum has a strong employment focus
☐ strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

29. The course I studied will help me start my own business
☐ strongly agree ☐ Agree ☐ Neutral ☐ Disagree ☐Strongly disagree

30. Why did I select to study the tourism and hospitality course?
(Tick those that apply)
☐ I got a bursary to study this course
☐ There are many jobs in tourism and hospitality
☐ I wanted to start a business in tourism and hospitality
☐ The training institution is close to where I stay
☐ The course was recommended to me by someone
☐ I did not qualify for any other course
☐ Tourism and hospitality are very practical

31. The following are on my list of priorities on completion of my course (Tick those that apply)
☐ Further education and training
☐ Get a job and earn a steady income
☐ Start my own business
☐ Pay off my student loan

32. The course I studied can be improved in the following way to assist me/people who want to start a business, better
☐ _____
☐ _____
☐ _____
☐ _____

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APPENDICE D: INTERVIEW TRANSCRIPTS

Respondent One
Business Type: Guesthouse, restaurant and Conference Centre
Physical Address: Kimberley, NC
Age of entrepreneur: non-youth
Gender of entrepreneur: Male
Demographic ethnic group: Black
Date of Interview: 1 September 2010

1. Please tell me about yourself and your educational background

I have a matric and have done sales and marketing courses. I was born and bred in the Northern Cape and have lived here all my life.

2. Tell me about your business. Is this your first business venture or have you been involved in other businesses?

Ekhaya was my first business venture. It is a guesthouse with six rooms, two rondavels, four standard rooms, two conference centres catering for 80 people and 70 people capacity with pub, which can all totally accommodate 260 people. We are currently adding eight more rooms to bring total capacity of 28 people accommodation. I've also opened up a new business at the Big Hole area in 2007. It has 13 rooms and restaurant.

3. What motivated you to start a business?

I travelled a lot through work and visited many establishments. I saw the opportunity to do the same in my local area in Kimberley.

4. Are any family members involved in your business? If so, in what capacity?

No family members involved in the business.

5. What is your work experience? What impact did this have on your business?

I worked in a sales and marketing position for five years. My previous travel though work exposed me to many hotels and guest houses and I knew what standards were expected. I had always wanted to get into business but lacked the ideal location, skills and experience first. I spoke to a lot of people in the industry and got advice. They did not consider me as competition because I was targeting a "location".

6. What motivated you to start a tourism business? Did you consider any other sectors?

No. Northern cape is different and remote. It is a very close community.

7. When did you start and what process was followed? For example to register and start operating

I started operating in 2004. I got land at a previous dump site in a Galeshewe Kimberley. The space is 9000 sq metres

8. Are you a member of any industry organization for example SATSA; SABTOSA; Chamber of Commerce; Provincial Tourism Association? How have these organizations helped your business?

No, I have not joined. I feel they need to make the processes easier to join. It too administrative and should be a straight forward process.

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9. Did you need any capital to start your business? How did you obtain this? Was it through personal sources or external institution?

I got a grant from the Growth and Innovation Fund of the province.

10. Have you received any mentorship? If so from whom or from what organisation?

No. I'm in touch with two other competition winners in North West and Limpopo who we share experiences.

11. How many employees does your business have? How did you source these?

I have 16 employees, 13 fulltime and 3 parttime. Currently due to the construction of new rooms, there is also an additional 12 temporary workers. I make sure all our employees are trained either privately or through the local Further Training and Education (FET) colleges, we do not have a university in the Northern Cape. Its easy to get people to work in restaurants and bars because that does not need much training so I can hire people without a qualification. The tourism sector is very important because it has many employment opportunities. It is harder and more expensive to hire experienced people.

12. Have you received assistance from any other organisation for example, TEP; DTI; NYDA; Business Partners

Yes, I have been assisted from the provincial SMME development office and by TEP for marketing material and soft skills.

13. What determined your business location? How did you secure it?

I wanted to open the business in the township. There as a dump site in Galeshewe so I requested the land and purchased it.

14. Do you have a board or advisors?

No.

15. **What have been the biggest challenges or barriers you experienced so far? How did you overcome these**?

There are many lot of mistakes you learn through along the way. I call it paying 'school fees'. As the owner of a guesthouse, you have to be accessible and be ready to do everything. You are the builder, the developer, the cook. Running a guest house is very intensive and expensive compared to a tour operator who can manage though other peoples resources for example hire cars and not need to own them. For a guesthouse, the buildings have to be catered for and instalments paid on a monthly basis, therefore every month, income must be raised to pay for these commitments.

Based on my experience over the years, I should have built a lower class guesthouse instead of three star, two star establishment. Three years ago I was graded three star. I now know who my market is, how often they come, what they come for and what they can afford. Because of the location, most of our customers are coming for weddings, funerals, visiting friends and family. The busiest times are weekends and holidays.

For example I need to downgrade the full package DSTV to compact, lower prices to two star, manage expectations, no carpet, showers only, not bath. This will be implemented

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for the future rooms. So you see its very important for a business owner to understand their market

16. What are the biggest successes that have had in your business so far?

Being able to remain in business and expand to the second establishment. Its not been easy but I've managed.

17. Has you business been affected by seasonality of the tourism and hospitality sector? How have you handled this?

We have studied our market and know what they want.

18. What advice would you give someone, especially a young person, interested in setting up a tourism business?

They need to be informed for example if someone wants to become a tour guide, they need to understand more than the history of buildings, one has to be professional. This is usually taken lightly but it is serious business. You need to know about the economics of the area, the people who live there, where they come from, what they do.They also need to get the right education.

19. Do the tourism and hospitality courses currently offered by institutions assist someone who wants to start a business? How can they be improved?

In the Northern Cape we do not have universities, but FET colleges. The primary and high schools also offer tourism and travel in their curriculum. People have to be trained even after getting the job.

20. What did winning the ETEYA award do for your business? For example more opportunities; access to finance?

The ETEYA award made a big difference, it was a vehicle to get you on to the stage. However you have to promote yourself in the industry. That's your responsibility not theirs. The business has grown, people also have more confidence in you and start to notice you. It also connected me to peers who I constantly communicate with.

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Respondent Two
Business Type: Lodge and Conference Centre
Physical Address: Limpopo
Age of entrepreneur: non-youth
Gender of entrepreneur: Male
Demographic ethnic group: Black
Date of interview: 8 September 2010 at 14h30

1. **Please tell me about yourself, your business and your educational background**

I'm currently based in Johannesburg. I have a B.Comm degree and have worked as an accountant . My business is in Limpopo, Mambedi village. Its in a remote location where I inherited family property and had built a house. We seek to provide good value and service levels. There is 17 rooms and conferencing facilities, 10 rooms are currently been added through self investment. The original house has four bedrooms and three conference rooms with a capacity of 45 people each and a large one for 75 people. There is also a lapa and restaurant with a capacity of 130 people. The demand is high and I would like to expand but I cannot get additional land due to land claims.

The business was graded four star at the beginning but downgrading to three star due to market being served. Government is the main customer. There is need to expand as there's huge demand to host events for example weddings. If not in the same area, we would want to expand in the nearby area or province and gain a larger market share. The tourism business is not yet transformed but with the right experience and resources emerging entrepreneurs can take advantage of the opportunities available.

2. **Is this your first business venture or have you been involved in other businesses?**

No I've been involved in other ventures, you can call me a serial entrepreneur. I've had interests in construction, consulting, wellness. I've sold recruitment and travel agency businesses that were not profitable. These businesses were a headache, too complex to run.

3. **What motivated you to start a business?**

   I saw the opportunity for the business in my home area where accommodation was not available. People kept requesting to use my house which I rented out and then decided to grow into the lodge.

4. **Are any family members involved in your business? If so, in what capacity?**

   No family members are involved in the business. 100% owned by self. This is because it is easier to raise funding on one's good record.

5. **What is your work experience? What impact or influence has your previous work experience had on the business?**

   I have worked in the private sector for many years and have opened other businesses. This helped me develop a good business plan for my business. I have also developed contacts that have helped me with business.

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6. **What motivated you to start a tourism business? Did you consider any other sectors?**
   I had owned tourism business before – travel agency but found it too complex. I have experience in other businesses. I go for opportunity.

7. **When did you start and what process was followed? For example to register and start operating**
   I already owned the land so I worked on business plan, used own funds as initial investments R 3m for the first two years. I got additional funding of R 2m from an external source.

8. **Are you a member of any industry organization eg SATSA; TEP; SABTOSA; Chamber of Commerce; Provincial Tourism Association? How have these organizations helped your business?**

Yes, I'm a member of SATSA and TEP used for advertising and marketing. I also belong to the Limpopo Parks as a Board member incharge of marketing and tourism. I attend SATSA conferences and Indaba. However these organizations are not always effective. I would like to launch a provincial marketing initiative through Limpopo parks to develop tourism in the area.

9. **Did you need any capital to start your business? How did you obtain this? Was it through personal sources or external institution?**

Yes, sourced through business plan

10. **Have you received any mentorship? If so from whom or from what organisation?**

No.

11. **How many employees does your business have? How did you source these?**

14 fulltime employees hired locally and from Johannesburg. I had to poach from other organisations by providing better salary. Its not easy to get right skills especially in management and front desk which are the specialised areas. I have also invested a lot on the job training for staff. Since I'm based in Johannesburg, I meet with senior management once a month. However during expansion, I have to be in Limpopo more often.

12. **Have you received assistance from any other organisation for example, TEP; DTI; NYDA; Business Partners**

TEP and DTI as well as Limpopo Parks board have provided marketing support and some training.

13. **What determined your choice in business location? How did you secure it?**

It was family owned land which I inherited.

14. **Do you have a board or advisors?**
    No.

15. **What have been the biggest challenges or barriers you experienced so far? How did you overcome these?**

The management of cash is critical. There is also regulation and compliance which is a must to conduct business successfully. It is not a barrier at all, for example I had to get

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a liquor license. Marketing has also been challenging. I'm starting a new initiative like the hotel directory Expresss/Prokard for reservations. I've already mentioned lack of land for expansion.

16. What are the biggest successes that have had in your business so far?

To grow the business successfully from inception to now.

17. Has you business been affected by seasonality of the tourism and hospitality sector? How have you handled this?

Seasonality – one has to reinvest what is earned from the busy time. Government as a client has to be managed well and know their budgeting process and times and have a back up for payment delays. We know our market so we can plan accordingly.

18. What advice would you give someone, especially a young person, interested in setting up a tourism business?

They need to have passion and build their idea. You need to compile the business plan himself to understand the different aspects of the business. You need the right management skills and systems. You also need to understand the laws of the country and comply. An accommodation business has a high capital investment so if you do not have land its not easy. Its either you are lucky to inherit or accumulate savings through work to enable you to get business. South Africa is conducive for business, if you have a good product and price competitively.

19. **Do the tourism and hospitality courses currently offered by institutions assist someone who wants to start a business? How can they be improved**?

Training is important. It has to be done on a continuous basis. We have trained staff through the provincial associations and consultants. Especially important is HIV/AIDS training, this affects us a lot.

20. What did winning the ETEYA award do for your business? For example more opportunities; access to finance?

ETEYA provided exposure. However, the sector is still far from transformation, the next step is to be able to buy a stake in the large companies

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Respondent Three:
Business Type: Cultural village and Conference Centre
Physical Address: GP
Age of entrepreneur: non-youth
Gender of entrepreneur: Female
Demographic ethnic group: Black
Interview Date: 8 September 2010

1. Please tell me about yourself, your business and your educational background
I trained as a teacher then worked for husband's fueling business for some time. While working in that business motorists passing by looking for affordable accommodation. Our business started as a guesthouse to cater for this. My three sons were in multi-racial schools where they experienced confusion on their culture so I decided to start cultural village to 'teach' kids about their culture. Once a teacher, always a teacher. The cultural village (Zulu, Venda, Xhosa, Sotho) and we have accommodation in 35 rooms, 80 people conference centre and cultural huts. We also have a lapa, pool and braai.

2. Is this your first business venture or have you been involved in other businesses?
Yes, this if the first one, but my husband had a garage business.
3. What motivated you to start a business?
I saw the opportunity for accommodation in the area as there was no one else. For the cultural village, it was because of for my sons.
4. What is your marital status?
I'm married with 3 children
5. Are any family members involved in your business? If so, in what capacity?
My husband and eldest son are involved in the business in management.
6. What is your work experience? What impact or influence has your previous work experience had on the business
I worked as a teacher. Teaching is natural so I teach culture to the learners and tourists. Schools are big business for us.

7. What motivated you to start a tourism business? Did you consider any other sectors?
We saw the opportunity.
8. **When did you start and what process did you follow? For example to register and start operating**
We started as a guesthouse and expanded to cultural village.
8. Are you a member of any industry organization eg SATSA; TEP; SABTOSA; Chamber of Commerce; Provincial Tourism Association? How have these organizations helped your business?
Yes SATSA, TEP has provided international marketing opportunities to Germany new contacts for business.

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9. Did you need any capital to start your business? How did you obtain this? Was it through personal sources or external institution?

We used our own money and savings. After ETEYA, we won R 100,000.

10. Have you received any mentorship? If so from whom or from what organisation?

No.

11. How many employees does your business have? How did you source these?

We have 27 fulltime employees who include the management – 3 family members and dancers. Before we had 53 employees but unfortunately had to retrench when business was low. We working with young people through dance and music, they enjoy this and they can get a job from something they love doing.

12. Have you received assistance from any other organisation for example, TEP; DTI; NYDA; Business Partners

The Department of Foreign Affairs and Department of Defence have been good to us because they give us business. South Africa missions abroad have invited us to their countries. We have been to Germany, Budapest, Croatia, Japan, Cote d'Ivore and Chile to perform. We have attended training offered by the provincial tourism office. My staff have also received tourism guide training through learnerships

13. What determined your choice in business location? How did you secure it?

This is ancestral land from my husband's family. It is a rocky remote place on a hill and nobody wanted to use it, so it was easy for them to give it to us, for free. No one saw the value.

13. Do you have a board or advisors?

No.

14. What have been the biggest challenges or barriers you experienced so far? How did you overcome these?

We had to retrench staff when was business was low. Finances have been a problem. Training is very important, knowledge is power, education is power. I need training, maybe in catering to improve myself. . Competition is tough. We have Morula Sun Casino near us and Lesedi cultural village. These guys have more money to do more marketing.

15. What are the biggest successes that have had in your business so far?

We have a good product and people now know us.

16. Has you business been affected by seasonality of the tourism and hospitality sector? How have you handled this?

This has been a big challenge and we've had to retrench staff

17. What advice would you give someone, especially a young person, interested in setting up a tourism business?

You need to get the right education and skills to run a business.

18. Do the tourism and hospitality courses currently offered by institutions assist someone who wants to start a business? How can they be improved?

I only know those that have been offered by the province, they are good and practical. You have to have a business that is operating. The learnerships for the staff are also good.

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19. What did winning the ETEYA award do for your business? For example more opportunities; access to finance?

It was great! I was a superstar. I got grant of R 100,000 and they helped with Public Relations, marketing. I was in many newspapers and everyone knew us. I think we won because everyone else was just a B&B. We were unique.

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Respondent Four
Business Type: Wine Tourism
Physical Address: WC
Age of entrepreneur: non-youth
Gender of entrepreneur: Female
Demographic ethnic group: Black
Interview date: Friday 10 September 2010

1. Please tell me about yourself, your business and your educational background
I'm trained as a clinical psychologist who was based in Johannesburg. My husband and I were looking to get into agricultural business. We bought the farm as a family. Its a 43ha growing wine grapes and guavas which are sold on the fresh market, made into wine or canned into jam/jelly. My husband was an academic professor while my children were media and marketing, advertising copyrighter and human resource executive.

2. **Is this your first business venture or have you been involved in other businesses?**
Yes this is our first business.

3. What motivated you to start a business?
The industry was attractive because it was structure unlike with other farming. Organisations like the SA Wine Industry Trust, Brandy Council, Wine SA (export) and various programmes about wine farming. The tourism element is new but with the space and proper co-ordination can achieve success.

4. Are any family members involved in your business? If so, in what capacity?
My husband and our three children are also all involved in the business.

5. **What is your work experience? What impact or influence has your previous work experience had on the business?**
Each of us has experience that has been useful to the business but there was a lot to learn. Working on your own business is very different to working for someone else.

6. What motivated you to start a tourism business? Did you consider any other sectors?
We were looking to get into agriculture but the wine tourism industry was a good opportunity and would be more profitable.

7. **When did you start and what process was followed? For example to register and start operating**
Ours is an unusual story. You have to have desire and passion and be willing to invest, we researched for over one year. We got most of the information available on the internet and not locally. We bought magazines and books. Financial benefit should not be priority, you need to get satisfaction from implementing your ideas. From the research, of all types of farming, wine farming and tourism had the largest financial benefit.

8. Are you a member of any industry organization for example: SATSA; TEP; SABTOSA; Chamber of Commerce; Provincial Tourism Association? How have these organizations helped your business?
No.

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9. Did you need any capital to start your business? How did you obtain this? Was it through personal sources or external institution?

We used personal savings from my husband and I. Our Dutch mentor discouraged us from sourcing external funding but use own resources. Use own family resources. We accommodated people in our house and converted the tractor storeroom to an event venue. Do not borrow from institutions; seek resources from family and friends.

10. Have you received any mentorship? If yes, from whom or from what organisation?

Yes, we got technical support on the wine making from a neighbouring famer who became a mentor. We also have a Dutch farmer whom we met on the net as a mentor. We have actually received more assistance and information from oversees than from South Africa.

11. How many employees does your business have? How did you source these?

Five family members are involved in the business, that is myself, my husband and our three childresn. We have eight fulltime employees and 30 -40 seasonal workers especially during pruning or harvest time. We got the employees locally through the assistance of the neighbouring farmer and other contacts.

12. Have you received assistance from any other organisation for example, TEP; DTI; NYDA; Business Partners

Only TEP, who gave us a grant after winning the award.

13. What determined your choice in business location? How did you secure it?

We wanted to do something different and researched on different farms. We bought the farm using our pension and sold our Johannesburg home. It was an under developed farm with tractor shed which was converted to a tasting and function venue with over 100 people capacity. We saw the opportunity and had the passion. This was after we conducted extensive research on over 21 farms all not owned by black people.

14. Do you have a board or advisors?

No. we use the mentors.

15. What have been the biggest challenges or barriers you experienced so far? How did you overcome these?

We have approached, the challenges as opportunities. Even legislation does not prevent business from going on. Apply for the necessary documentation and prepare anyway as you wait for approval. It does not mean that you cannot continue with the business. Do things in parallel and get all the help you can get. The policy or law is there to protect and facilitate business.

16. What are the biggest successes that have had in your business so far?

Our success has been through personal initiative. We had to teach ourselves. The international market caters for 90% of our products to Marks and Spencer (UK), 42 states in the US, Germany and Nigeria. Local market only caters for 5-10%.

18. Has you business been affected by seasonality of the tourism and hospitality sector? How have you handled this?

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19. What advice would you give someone, especially a young person, interested in setting up a tourism business?

Have a vision. Use the internet. Competitors – learn from them, but be yourself and do not copy. Inject your own personality to the business. Go out and do it. Do not be paralysed by fear. Take calculated risks.

20. **Do the tourism and hospitality courses currently offered by institutions assist someone who wants to start a business? How can they be improved**?

21. What did winning the ETEYA award do for your business? For example more opportunities; access to finance?

Our business is a unique concept that is why we won. We got into a very white dominated industry with no experience; we took a bold step with no knowledge and managed to break through. Winning the award has provided a publicity platform and we have to creatively use it to our benefit.

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Respondent Five:

Business Type: Tour operator and Travel Agency
Physical Address: NW
Age of entrepreneur: non-youth
Gender of entrepreneur: male
Demographic ethnic group: Black
Date of interview: Friday 10 September 2010

1. Please tell me about yourself, your business and your educational background

It's a hospitality and wildlife activities business based in Pilanesburg and Sun City in the North West. Services include gametours, tour operators, transfers, accommodation bookings. We provide an all round package. I was trained as a mechanical engineer but I loved the khaki won by the game rangers and tour guides. I feel in love with the industry. My first salary was R350 but I did not mind, you have to be willing to work for free to gain the experience you need.

2. Is this your first business venture or have you been involved in other businesses?

This is the first venture.

3. What motivated you to start a business?

4. What is your marital status? Are any family members involved in your business? If so, in what capacity?

5. What is your work experience?

I've worked in the sector for 15 years for the Sun City, Legacy Hotels and the North West Parks board.

6. What impact or influence has your previous work experience had on the business?

I knew the business and already had contacts.

7. What motivated you to start a tourism business? Did you consider any other sectors?

This was an industry that I knew and understood. I had worked for the big companies and could see the opportunities for going out on your own. You have to have passion and work hard. I had experience and could conduct a SWOT analysis of the market.

8. When did you start and what process was followed? For example to register and start operating

I got the necessary licences to comply with regulation. I had the confidence to approach clients and had a straightforward approach. I went without a salary first. You have to conduct research for example, before the world cup I went overseas to market directly to groups that were coming for the event.

9. Are you a member of any industry organization eg SATSA; TEP; SABTOSA; Chamber of Commerce; Provincial Tourism Association? How have these organizations helped your business?

Yes I'm a member of SATSA and FEDHASA and on the board of the NW Parks board. These organisations provide incentives and training.

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10. Did you need any capital to start your business? How did you obtain this? Was it through personal sources or external institution?

I did not get financing from anyone. I developed a business plan and raised R 1.9m by selling my house and my cars. If I had a wife, I would have sold her! I also partnered with private investors who had money, but that was later on, not at the beginning.

11. Have you received any mentorship? If so from whom or from what organisation? No

12. How many employees does your business have? How did you source these?

I started with two employees and now I have 35 who include drivers, receptionists, tour operators and field guys. I hire qualified people who have passed their field guide tests. They need to be knowledgeable on trees, animals, grass.

13. Have you received assistance from any other organisation for example, TEP; DTI; NYDA; Business Partners

From TEP after winning the award.

14. What determined your choice in business location? How did you secure it?

Local is lekker! I'm born and bred in NW. I've worked here and understand the business, the culture and the politics.

15. **Do you have a board or advisors?** No

16. What have been the biggest challenges or barriers you experienced so far? How did you overcome these?

The industry is not transformed. Its still white and male dominated. Government has tried to create transformation but still has a long way to go. There is stiff competition so I have to be on top of the game and create new unique concepts.

17. What are the biggest successes that have had in your business so far?

I do whatever it takes. I developed the 5G concept for overseas visitors especially Spain, UK and USA who were staying in NW and their supporters coming for the world cup – Game (wildlife);Golf; Games (football); Gambling; Girls/Guys. I have to sustain quality service at all levels. I have differentiated my business and landed international business. I provide an authentic African experience and I'm passionate about my business.

18. Has you business been affected by seasonality of the tourism and hospitality sector? How have you handled this?

You have to market yourself all the time.

19. What advice would you give someone, especially a young person, interested in setting up a tourism business?

For the youth, I try to be an ambassador but people have poor perception of youth. Entrreprenuership is not for all. You need to be dedicated and work hard.

20. Do the tourism and hospitality courses currently offered by institutions assist someone who wants to start a business? How can they be improved?

Even with training, there is some things you have to teach yourself. Just like companies, people are also competing. You cannot depend on training alone.

21. What did winning the ETEYA award do for your business? For example more opportunities; access to finance?; marketing of the business?

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I have received a lot of Public Relations and profiling. People now know me but word of mouth is still what sells my business. I'm challenged to keep maintaining the quality service.

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