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An Investigation on The Extent of Usage and Challenges Faced by Tourism SMEs Concerning E-Marketing: Empowering Co-creation of Value

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Abstract: Due to advancements in technology and digital connectivity, travel patterns have changed. Technological developments have increased the amount of information and inspiration available to consumers, and big data analytics allows for the creation of innovative insights. When it comes to implementing cutting-edge technologies, small businesses typically lag behind larger ones. In light of the above, this study aims to examine the extent of usage and challenges SMEs face concerning e-marketing. SMEs in the tourism sector have demonstrated that they are drivers of economic growth through the development of entrepreneurial skills and job creation. In this study, data was qualitatively collected from 14 SME service providers, through a purposive sampling method. The findings revealed that SMEs struggle with the adoption of e-marketing. Moreover, the findings revealed that SMEs are also faced with the challenge of easy access to funding, this was found to affect their flexibility towards digital transformation. Lastly, this study found that SMEs are faced with the challenge of lack of expertise to implement digital transformations. This study concludes that, although in South Africa government funding provided to SMEs through grants plays a critical role, it is still not enough. The government can further their SME development initiatives through public sector and private sector partnerships. By increasing SMEs access to funding, joint SME development programs offer a substantial chance to promote entrepreneurship in South Africa.

Keywords: SMEs; e-marketing; tourism; digital transformation; Co-creation

Introduction

Currently, the tourism sector has become one of the great economic engines in several countries. There is however still room for growth and development in this sector. There is also the need for improved transformation of the tourism industry (Tseane-Gumbi, & Ani, 2019). According to Jaafar, Khoshkam, Rashid, and Dahalan (2014) and Batta (2016), the growth of the tourism sector is dependent on the existence and support of SMEs in every area. SMEs in the tourism sector, according to Pillay (2017) and Singh (2012), have demonstrated that they are drivers of economic growth through the development of entrepreneurial skills, the creation of jobs, and the creation of an environment that is conducive to SMEs. Through employment, tourism SMEs contribute to a country's socio-economic development. As a result, they may be essential to achieving the 2030 National Development Plan's (NDP) objective, which calls for generating 90% of new jobs in small and growing enterprises in order to reduce unemployment to 6% (Pillay, 2017). According to Njiro, Mazwai,

and Urban (2010), small businesses in the tourism sector significantly influence redistribution and aid in the restructuring and emancipation of society. However, effective business management techniques are essential for SMEs to prosper (Alhowaish, 2016). SMEs still face a number of challenges to growth and long-term sustainability.

SMMEs face the challenge of identifying and seizing opportunities to maintain their competitiveness in the digital economy (Mapunda, 2021). Nugroho and Ika (2016), argues that when it comes to implementing cutting-edge technologies, small businesses typically lag behind larger ones. One of the challenges the tourism sector is faced with is travel marketing (Camilleri, 2018). The fast penetration of technology into all aspects of life cannot be avoided (Van Nuenen and Scarles, 2021). Camilleri (2018) argues that technology will play a major role in shaping and enabling the tourism industry going forward, as the internet has created equal opportunities for travel marketers. The fusion of information and communication technologies will allow tourism enterprises to become more efficient and competitive, this will also ensure the creation of value for both consumers and the enterprises (Chuang 2018). It is in this context that, this study aims to contribute to the existing body of knowledge by investigating the extent of usage and challenges faced by tourism SMEs concerning e-marketing. First, a summary of recent research on the topic will be provided, then the methods used, and finally the conclusions and discussions will be delineated.

Literature Review

1. Technology – Organisation – Environment (TOE)

The technology, organization, and environment (TOE) paradigm was used in the study to examine value co-creation between the organizations and their customers, or customer businesses in a business-to-business setting. In 1990, Tornatzky, Fleischer, and Chakrabarti created the technology-organization-environment (TOE) framework (Pathak, Ashok, and Tan, 2020). The concept describes how a firm's adoption and implementation decisions are influenced by its technological, organizational, and environmental setting (Pathak et al., 2020). The TOE framework was selected over alternative frameworks due to its extensive range of references in scholarly works and its flexibility in novel concepts (AlHinai, 2020; Awa and Ojiabo, 2016; Oliveira, Martins, Sarker, Thomas and Popovič, 2019). According to Pathak et al. (2020), the TOE concentrates on three aspects of the firm:

- i. Technological context: this refers to all the technologies that are pertinent to the company, both those that are now in use within the firm and those that are obtainable from the market but are being utilized by the company.
- ii. Organizational context: this section covers the firm's attributes and accessible resources.
- iii. Environmental context: this refers to the outside business environment in which the company works, dealing with competitors, market regulators, and structural changes.

The TOE framework was initially used to study B2B e-commerce, e-business diffusion, and digital transformation (Pathak, Ashok and Leng Tan, 2022). The flexibility of TOE to change the variables or metrics for every new study is what gives it such great adaptability (Baker, 2012). The Technological, Organizational, and Environmental (TOE) framework explains how a firm's context affects its decisions about adaptation and implementation (Pathak et al., 2022). Customers, however, become more than just an environmental aspect when value co-creation takes place (Maglio and Spohrer, 2008; Heinonen and Strandvik 2015; Pathak et al., 2022). Pathak et al. (2022) contend that a customer's participation in the co-creation process is necessary since value is always decided by the beneficiaries (business customers in B2B, for example).

As a result, the customer (C) was suggested as a co-creator of value in an extension of the TOE framework by Vargo et al. (2010) and Grönroos and Voima (2013). Pathak et al. (2022) refer to the extended framework as the Customer-Organization-Technology-Environment (COTE). In the past, service engagements were limited to in-person touchpoints and interfaces (Breidbach and Maglio, 2016). However, through virtual efforts, information and communication technologies (ICT) allow economic actors to exchange resources and co-create value (Breidbach and Maglio, 2016). This leads to technologically knowledge-

intensive business services, technology-enabled service encounters, or technology-enabled value co-creation processes, according to Breidbach and Maglio (2016).

2. E – Marketing

The manner that organizations conduct business has altered as a result of the revolution in communications and information communication technology (ICT). The modern era of globalization and technology has brought about changes in interpersonal communication as well as international commercial practices. According to previous studies, more companies have been utilizing the internet and other electronic media for marketing purposes in recent years. This has allowed electronic marketing to expand dramatically and dynamically (Salehi, Mirzaei, Aghaei and Abyari, 2012; Chuang 2018; Nasution and Mavondo 2008). The use of e-marketing influences the development and maintenance of relational relations and encourages information sharing between buyers and sellers (Chuang, 2018). E-marketing involves establishing an electronic dialogue between the seller and consumers: access to information is offered to individual customers by the seller, consumers then in return utilise interactive technologies allowing them to offer information to the seller (Mathews, 2016; Chuang, 2018).

E-marketing, according to Chuang (2018), is the process of using information technology to create, communicate, and deliver value to customers as well as to manage customer relationships in a way that is advantageous to the business and its stakeholders. Conversely, Obeidat (2021) characterizes e-marketing as the utilization of the internet, online, and associated information technologies for the purpose of carrying out marketing operations. In essence, e-marketing is a technique that facilitates commerce through the use of digital technology and the internet. The usage of e-marketing has been referred to as a relational rent since it offers an electronic dialogue platform that allows vendors to view their customers' shared information instantly without incurring significant fees.

A study conducted by Salehi et al. (2012), which had an objective of finding out if e-marketing is a suitable tool for attracting customers, revealed that nowadays there is no need to enter the marketplace to learn more about customer needs, instead all of that can be done through the use of internet search engines and that saves time and it also reduces the costs, the study also found e-marketing makes it possible for sellers to understand customers' needs through the fact that it provides a platform for electronic dialogue. Networks that facilitate e-marketing, like social media, let businesses communicate and share value in the pursuit of innovation in an economical way (Nithikulsak, 2022). Nithikulsak (2022) asserts that businesses, particularly those in the tourism industry, can leverage social media to foster relationships with customers, conduct dialogues, exchange information, and ultimately involve customers in co-creation activities aimed at innovation. Encouragement of consumer feedback, including preferences and opinions about products and services, is necessary to accomplish value co-creation (Chuang, 2018). Chuang (2018) argues that these circumstances clarify why e-marketing, when used in conjunction with transaction marketing, actually promotes value co-creation.

When it comes to the adoption of e-marketing, the phenomenon known as value co-creation between buyers and sellers describes how customers demand better services when they find new needs or when their existing demands are not met. Value co-creation for consumers is defined by Chuang (2018) as sellers implementing e-marketing systems that emphasize better services and products to build customer value while also co-creating value with key customers. Sellers that use e-marketing systems to improve selling benefits including bettering the customer knowledge, facilitating the introduction of new products and services, and creating new business prospects are said to be engaging in value co-creation with their important consumers (Chuang, 2018).

Therefore, the degree to which buyers and sellers use pertinent software technology to develop collaborative relationships is a key indicator of the adoption of e-marketing (Chuang, 2018). The benefits of collaborative relationships between buyers and sellers have long been recognized in the literature (Trainor, Rapp, Beitelspacher and Schillewaert, 2011; Currie and Falconer, 2014). Nevertheless, it's also critical to recognize the importance of efficiency gains, such as lowering customer service costs or enabling customers to communicate their demands (Chuang, 2018).

Adoption of e-marketing can enable value co-creation by generating relational rents, which benefits all parties engaged in the process (Chang, 2018). According to the results of a study by Tsiotsou and Vlachopoulou (2011), e-marketing has a positive effect on relationship performance (service quality) and the net profit of the company. The study used the inter-relationship between market orientation and e-marketing to investigate mechanisms through which both contribute to tourism service performance (sample size of 216 tourism firms). One essential information system for co-creating value from the creation of relational rents is e-marketing (Chuang, 2018). According to earlier research, e-marketing has to provide inter-firm information flows about one or more of the following activities in order to guarantee the development of relational rents: E-marketing can offer value co-creation for both sellers and customers through the use of demands communication, transaction procedures, and database activities (Srinivasan, Lilien, and Rangaswamy, 2002; El-Gohary, 2012; Chuang, 2018). Therefore, in e-marketing, the phenomena where customers demand service enhancements after discovering new wants or when their needs are unmet is known as value co-creation between buyers and sellers (Obeidat, 2021). Therefore, e-marketing is a kind of system for collaboration or seller-customer interaction that differs from other systems in that it aims to enable organizational objectives that either impact firm value or assist customers in gaining value through process integration with customers (Chuang, 2018).

According to Novitasari, Aryati, and Damayanti (2021) the old understanding of the value generation process placed consumers outside the company. The roles of consumers and businesses in production and consumption, respectively, were distinct. However, the ability to extract value at the traditional point of transaction is becoming increasingly apparent to knowledgeable, connected, empowered, and active customers. Moreover, according to Nithikulsak (2022) previous studies have revealed that traditional firms focused only on product-centric business models, and these models caused product failure as customers' needs were not focused on. Current research however has revealed that firms have shifted from product-centric business models to customer-centric business models that aim to align customer value with firm value (Nithikulsak, 2022).

3. Value Co-Creation in Small-and-Medium Sized Enterprises (SMEs)

Value co-creation is a crucial issue for small and medium-sized firms (SMEs) operating in the service sector (Hamidi, Shams Gharnah, and Khajeheian, 2019). Value co-creation allows SMEs to benefit from the assets, skills, and knowledge of customers and other stakeholders for value co-creation and delivery, according to Hamidi et al. (2019). Social media's emergence created new opportunities for businesses to engage in entrepreneurial endeavors and co-create new value, particularly in creative industries like tourism (Salavatian, Hesampour, Soltani and Etemadnia, 2020). Customers can now provide feedback to business owners in a timely manner thanks to social media and information technology, and business owners can now listen to the interests and opinions of their customers (Salavatian et al., 2020). According to Hamidi et al. (2019), businesses seek to provide better services to their customers or other stakeholders by using the information gained from social network analysis and big data to pinpoint their opportunities and weaknesses.

As a result of social media and Web 3.0, value co-creation changed and became a co-creation activity (Hamidi et al., 2019). Web 3.0 is the web of collaboration and value co-creation evolved into the collaborative production of corporate value, according to Mohammadi, Yazdani, Pour, and Soltani (2020). Web 1.0 was the web of cognition, while Web 2.0 was the web of connection. According to Hamidi et al. (2019), value co-creation happens when organizations, people, technology, and information are blended together in a complicated way through the interactions between service providers and customers.

According to the most recent research by Ind and Coates (2013), the idea of co-creation has evolved from the idea that organizations should always define value to a more collaborative process where businesses and customers collaborate to create new goods and services. Hamidi et al. (2019) state that because of the development of communication and information technologies, there is now a lot more interaction between customers and businesses than there was in the past. Customers can now influence businesses by acting as both consumers and value creators at the same time. The authors also assert that during the last several decades, disruptive technologies have caused some major changes in business logic, which have changed the process

of creating value. For example, companies have shifted from traditional company-centered product systems to customer-centric product and service systems (Hamidi et al., 2019). A firm's ability to survive and grow depends on its ability to create value for its customers, as evidenced by the body of research on value-based strategies in service-based enterprises (Ma, Rong, Luo, Wang, Mangalagiu and Thornton, 2019; Hamidi et al., 2019; Prahalad and Ramaswamy, 2004; Komulainen, 2014). In service-providing systems, value co-creation is contingent upon the beneficiaries' performance coordination, which encompasses a complex combination of individuals, technology, organizations, and shared information (Hamidi et al., 2019). According to Salavatian et al. (2020), social media and information technology have made it feasible for customers to provide quick feedback to business owners and for owners to pay attention to the needs and preferences of their customers.

4. The Importance of SMEs in The Tourism Industry

The expansion of the tourism industry, according to Jaafar, Khoshkam, Rashid, and Dahalan (2014); Batta (2016), depends on the presence and assistance of SMEs in each region. Additionally, there is a reciprocal relationship between tourism and entrepreneurial activities because tourism depends on entrepreneurial development to support the expansion and development of SMEs. Vallabh, Radder, and Venter (2015) state that SMEs are designated as the legs on which tourist expansion will walk and that tourism is widely acknowledged in South Africa as a "strategic priority for achieving economic growth." According to Khan and Krishnamurthy (2016), entrepreneurs are the cornerstone of tourism development and are essential for the growth of emerging tourism economies. The three types of local economic development are discussed by Butler and Rogerson (2016). Progressive LED is one of these modes, in which local entrepreneurship (SMEs) is essential and state agencies, the private sector, and the community work together to achieve the goals of sustainable economic growth.

Similar to Zimbabwe, South Africa uses SMEs as a corporate survival strategy to lessen the societal effects of a sharp economic collapse (Chigora and Zvavahera, 2015). There are currently 2 251 821 SMEs in South Africa, according to Siddo (2017), with 667 433 of these being formal and 1 497 860 being informal. The 1995 White Paper on SME Development (Integrated Small Business Development Strategy, or ISBDS) introduced the concept of SME development and growth strategy (Rogerson, 2020). The plan was to lower regulatory barriers, boost financial and non-financial assistance, and generate demand for the goods and services that SMEs offer.

SMEs in the tourist sector, according to Pillay (2017) and Singh (2012), have demonstrated that they are drivers of economic growth through the development of entrepreneurial skills, the creation of jobs, and the creation of an environment that is conducive to SMEs. Through employment, tourism SMEs contribute to a country's socio-economic development. As such, they can be crucial to realizing the National Development Plan's (NDP) vision 2030, which aims to lower unemployment to 6% by creating 90% of new jobs in small and growing businesses (Pillay, 2017). Small enterprises in the tourism sector have a significant redistributive impact and contribute to the restructuring and empowerment of society (Njiro, Mazwai and Urban, 2010). However, in order to thrive, SMEs must have good business management practices (Alhowaish, 2016). SMEs continue to confront several obstacles to expansion and long-term viability.

Methodology

This paper employed a qualitative approach. Data was qualitatively collected through the use of the purposive sampling method. Purposive sampling was employed because the method allowed the researcher to gather qualitative responses, which leads to better insights and more precise research results (Gaille, 2020). The researchers targeted SME service providers of the game and nature reserves in Mpumalanga. The 23 targeted game and nature reserves were preselected, and for this reason purposive sampling was an appropriate method to employ because purposive sampling involves the recruitment of participants according to preselected criteria relevant to the research aims/questions of a given study. The table below presents the 23 game and nature reserves that were targeted.

Table 1. Targeted game and nature reserves

Game and Nature Reserves in Mpumalanga	
1	Sabi sands game reserve
2	Sebaka Game reserve
3	Blyde River Nature Reserve
4	Dullstroom Nature Reserve
5	Gustav Klingbiel Nature Reserve
6	Kruger National Park
7	Ligwalagwala Conservancy
8	Loskop Dam Nature Reserve
9	Marieskop Nature Reserve
10	Manyeleti Game reserve
11	Mkhombo Nature Reserve
12	Mount Sheba Nature Reserve
13	Mountainlands Nature Reserve
14	Mthethomusha Game Reserve
15	Nkomazi Game Reserve
16	Nooitgedacht Dam Nature Reserve
17	Mjejane Private Game Reserve
18	Londolozi Game Reserve
19	Saragossa Game Reserve
20	Songimvelo Game Reserve
21	Steenkampsberg Nature Reserve
22	Lionspruit Game Reserve
23	Verloren Vallei (lost valley) Nature Reserve

Data was collected through face-to-face interviews. During the interviews, the point of saturation was reached at respondent 14, the researcher noticed that the same themes were coming up repeatedly and for that reason the sample size for the guests is 14.

The Findings

Research question: What e-marketing challenges do you face as service providers and how do you address those challenges? In this question the service providers were asked to indicate the e-marketing challenges that they encounter and state how they address those challenges. The below table depicts the themes that emerged from the responses given by the service providers.

Table 2. Emerged themes on the e-marketing challenges faced by service providers

Themes	Number of respondents
E-marketing adoption	5
Competing in a rapidly changing environment	3
Lack of easy access to funding	4
Lack of expertise	2

As illustrated in table 1 above, n=5 (36%) service providers indicate that they are faced with the challenge of e-marketing adoption. N=3 (21%) service providers asserted that they are faced with the challenge of competing in a rapidly changing environment. Lastly, n=4 (29%) service providers stated that they are faced with the challenge of lack of easy access to funding in order to adopt e-marketing strategies. Lastly, n=2 (14%) service providers indicated that they are faced with the challenge of lack of expertise when it comes to executing e-marketing. The themes are further elaborated upon below:

1. E-marketing Adoption

As illustrated in table 1 above, n=5 (36%) service providers indicate that they are faced with the e-marketing adoption challenge. One service provider further alluded that:

“small businesses like ours have limited knowledge when it comes to adopting interactive technologies.”

Another service provider further asserted that:

“I did not further my studies after matriculating, for that reason, my level of education has an impact towards the adoption of e-marketing being a challenge.”

These findings suggest that the service providers of small businesses struggle with the adoption of e-marketing.

2. Competing in a Rapidly Changing Environment

As illustrated in table 1 above, n=3 (21%) service providers asserted that they are faced with the challenge of competing in a rapidly changing environment. One service provider further explained that:

“service providers are faced with the challenge of competing in a rapidly shifting marketplace. We try to address this by collaborating with our consumers in service provision, this enhances brand loyalty.”

Similarly, another service provider added that:

“Due to the increasing application of technology, the environment is becoming more volatile and that affects how businesses compete.”

These findings suggest that competing in a rapidly changing environment is challenging to service providers. These findings suggest that competing in a rapidly changing environment is a challenge for small businesses.

3. Lack of Easy Access to Funding

As depicted in table 1 above, n=2 (14%) service providers indicated that the lack of easy access to funding affects the ability of small businesses to adopt interactive technologies such as e-marketing. One of the service providers further detailed that:

“My company is small and black owned, such companies always struggle when it comes to funding. This makes it difficult to implement engaging technologies”. Similarly, one respondent asserted that “I struggle to get fundings from banks because they want a collateral in order for me to get approved for a loan for my business.”

These findings suggest that small businesses encounter the challenge of lack of easy access to funding in order to adopt interactive technologies.

4. Lack of Expertise

As demonstrated in table 1 above, n=5 (36%) service providers stated that they are faced with the challenge of lack of expertise and that affects their adoption of e-marketing. One service provider further detailed that:

“As an owner of a small business I lack the necessary skills to implement e-marketing and that is a major challenge to me.” Similarly, another service provider further alluded that “getting access to funding is a huge challenge for small businesses, and due to lack of funds we cannot even attempt to attend trainings that assist us with the implementation technology tools for interacting with.”

These findings suggest small businesses also encounter challenges related to the lack of expertise.

Discussion

Based on the findings from this current study one of the e-marketing challenges faced by service providers is the challenge of e-marketing adoption. The findings reveal that SME's struggle when it comes to the adoption of e-marketing. Corroborating these findings, a study by Mapunda (2021), which had an objective of synthesizing the determinants of E-Marketing adoption by SMEs in African countries, revealed that the E-Marketing adoption rate by tourism SMEs in African countries has been very low. Similarly, the findings from a study conducted by OECD (2020) revealed that compared to larger tourism firms, micro to small tourism businesses lag behind when it comes to the uptake and adoption of digital technologies. The findings further revealed that the challenges faced by micro to small and larger tourism firms differ, because micro to small tourism businesses struggle with the uptake of technology.

The findings from this current study revealed that another e-marketing challenge that service providers are faced with, is the challenge of competing in a rapidly changing environment. Furthermore, the findings further revealed that due to the increasing application of technology, the environment is becoming more volatile and that affects how businesses compete in the marketplace. Confirming the findings from this current study, the existing body of knowledge has revealed that firms are existing in a world of rapid change, reflected in technology shifts, global volatility and emerging opportunities, and keeping up with these changes is a challenge to most firms (Corral-Marfil, Serrat, Ferràs and Nylund, 2015; Song, Peko and Sundaram, 2017; Eby, Peel, Hoegh, Madden, Giles, Hudson and Plowright, 2023). Furthermore, the findings from this current study also revealed the risk of online fraud is another challenge faced by service providers. The findings from this present study are corroborated by the findings from a study conducted by Sunarti, Kurniawan, Sujana and Yasa (2020), which revealed that modern fraudsters are using the mobile revolution to their advantage by targeting mobile tourism bookings, for instance these fraudsters can do booking with stolen card details.

Furthermore, the findings from this current study also revealed that service providers are also faced with the challenge of easy access to funding. The findings revealed that this affects their flexibility towards digital transformations. Confirming these findings, the findings from a study conducted by OECD (2020), revealed that the challenges faced by small businesses are lack of access to finance, information, knowledge and skills and these can be barriers to digital transformation. Similarly, the findings from a study conducted by Ramli, Asby, Noor and Afrizal (2022), also found that SMMEs face obstacles, such as a lack of funding, a skills gap, and little government assistance development and competitiveness, and sustainable tourism. A large proportion of the service providers that were interviewed were black. The findings revealed that black businesses particularly struggle the most when it comes to ease of access to funding. Affirming these findings, the findings from a study conducted by Ramli et al. (2022), found that Small businesses, particularly those run by Black South Africans, encounter challenges in obtaining money from the main profitable banks because of their lack of a sufficient surety or a protracted history of conducting legitimate operations. Similarly, Mtshali, Mtapuri and Shamase (2017), in their study revealed that, emerging Black entrepreneurs underperform in terms of financing availability, marketing, networking, and market access.

Additionally, Sixaba and Rogerson (2023), found that the unbalanced wealth distribution between white and black entrepreneurs in South Africa has an impact on the prospects for rising entrepreneurs in the tourism industry. That agrees with the findings of Tseane-Gumbi and Ani (2018). The findings from this current study further reveal that SME's are faced with the challenge of lack of expertise to implement digital transformations. Confirming these findings, the findings from a study conducted by OECD (2020), found that the lack of knowledge networks along with skills serve as major drawbacks to small business when it comes to the adoption of digital technologies. Lastly, the findings from this current study revealed that SME's do not face similar e-marketing challenges with dominant firms. These findings are further corroborated by the findings from a study conducted by OECD (2020), which revealed that when it comes to the adoption of digital technology, micro-to small-sized tourism organizations lag behind larger tourism firms. The results also showed that micro, small, and larger tourism enterprises face different challenges. Micro, small, and larger tourism businesses face different challenges, such as difficulty implementing technology and difficulty

obtaining funding, information, and knowledge networks as well as skills, which can be obstacles to digital transformation. Similarly, Mapunda (2021) found that unlike large firms, SMMEs face the challenge of identifying and seizing opportunities to maintain their competitiveness in the digital economy. Smit and Watkins (2012), supported this view when they reported that lack of effective marketing as part of all business risks, is another important risk that SMEs face. The next section of this study presents an elaboration on the challenges faced by SMEs concerning e-marketing; based on the findings from this study.

1. An Elaboration of the E-Marketing Challenges Encountered by SME Tourism Firms based on The Current Study's Findings

The majority of the service provider firms that were part of this current study are black owned. The respondents were asked to further allude on the challenges that they encounter as SME businesses in the tourism industry. The findings revealed that one of the major challenges that these firms are facing is the challenge of lack of easy access to funding. SME black owned businesses struggle when it comes to getting access to funding and this challenge is a major contributor to the high failure rate of small black owned businesses. The findings reveal that black entrepreneurs struggle to get access to credit, this results in them having to utilise their personal savings or loans from relatives and that is not enough to sustain and improve their businesses. The findings from this study further reveal that one of the reasons for the lack of access to credit for black owned businesses was their inability to provide the required collateral for the requested credit.

The findings from this current study further revealed that SME businesses are faced with the challenge of lack of access to technological improvements. The issue of lack of funding affects their flexibility towards the adoption of technological improvements and that is a major hazard component. The existing body of knowledge has revealed that any company operating in a globally competitive economy must stay up to date with advances in technology. The findings from this study further reveal that SMEs frequently lack the latest technology needed to maximize their available resources since they have limited financial resources and are unable to leverage the required financial structure.

Although, some dominant firms have outlined the measures they take to provide empowerment support to SME businesses in order to improve value co-creation, the findings from this current study also revealed that some of the small businesses are of the view that they don't receive enough support from the firms that contracted them. Furthermore, the findings from this current study further reveal that they are also faced with challenge of not having the required educational level in order to adapt to the rapidly changing business environment. This study found that entrepreneurs with higher levels of education and training were more likely to be able to adapt to a rapidly changing business environment and go on to succeed. Furthermore, this study found that one of the biggest deficiencies among black SME entrepreneurs was their lack or insufficiency of business managerial abilities. This correlated with the need for education and training inside SMEs and was a factor that hampered SME growth. Lastly, the findings from this current study also revealed that SME's encounter the challenge of lack of efficient marketing. A firm's ability to accurately assess the needs of the market and sell its goods and/or services are essential to its success. This study found that in SME firms marketing difficulties arose not just in developing marketing plans but also in projecting the expenses associated with business promotion and advertising. Furthermore, the study found that SME's also struggle when it comes to the adoption of e-marketing, which is a technological transformation that is vital because it allows firms to cope with the rapidly changing business environment.

Conclusion

The findings from this current study revealed a further obstacle that small and medium-sized enterprises must contend with is inadequate and ineffective marketing. Due to their lack of resources, the majority of SMEs were forced to rely on traditional marketing strategies including flyers, word-of-mouth, and personal recommendations in addition to basic internet marketing. Black-owned SMEs can register with network groups established by organizations like the Ministry of Small Enterprises or the Black Business Council. To take advantage of all the opportunities available to them, Black-owned SMEs need to be made aware of this platform. SMEs frequently claim that they are too busy with their businesses to attend events, training sessions,

or other opportunities. However, they genuinely lag behind their more competitive rivals by neglecting these accessible avenues for enhancing their performance. These SMEs must take internal actions to enhance their developed procedures, business strategy, and marketing and sales plans. Businesses will be forced by market forces to pick up additional skills if they lack the current ones required to handle such tasks within their organizations and lack the funds to hire fully qualified staff capable of conducting such business planning and execution. Only then will they be able to survive and, ideally, grow and expand.

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