

**ASSESSING THE LEVEL OF E-BUSINESS ADOPTION AMONG THE  
HOSPITALITY INDUSTRY IN GHANA: A CASE OF SOME SELECTED HOTELS  
IN GHANA**

By

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## DECLARATION

I hereby declare that this project is my own work towards the masters of business administration. To the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of this and any other University except where due acknowledgement has been made in the text

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## **DEDICATION**

I dedicate this work to my sons Benjamin Bekoe and Samuel Bekoe Jnr.

## **ABSTRACT**

The evolution and increasing adoption of Electronic Business across sectors and continents has influenced businesses in many ways including, improvement in their operational efficiency, profitability, and to strengthen their competitive position globally. As a result, Ghana has supported this new wave through the enactment and establishment of legislations and institutions respectively. With the hospitality industry, particularly hotels, in Ghana increasingly adopting different models of e-business, this study looks at the most common types of e-business applications, the common concerns of implementation and the general benefits associated with e-business adoption. The study adopted purposive sampling technique and used both primary and secondary data through questionnaires, interviews and various desk reviews. Amid other findings, the study shows that whiles e-business improves fast exchange of documents and information and general customer services, its associated costs (such as computers, internet cost) presents a major barrier to its adoption. The study recommends further government interventions through improvement in telecommunication infrastructure such as fiber optic cables and the potential introduction of a price ceiling for the cost of internet connectivity Ghana.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The evolution and increasing adoption of Electronic Business across sectors and continents has influenced businesses in many ways including, their strategies, performances, marketing, etc. Today, we see customers and business operators use ICT and other electronic media (such as the internet) to conduct commercial transactions, communicate, obtain feedback, store information, market products, and even manage day to day operations. The adoption of E-business, however differ across sectors, organizations, and geographical horizons based on its intended objectives, benefits, and existing infrastructure (Daniel and Wilson 2003; Eikebrokk and Olsen 2007; Tallant 2011). These factors include the enactment of clear national legislative framework that allows for easy accessibility to ICT infrastructure, the availability and accessibility internet and intranet infrastructure, and improved ability of people to use the internet (ibid). In addition to the existing infrastructure and legislative frameworks, some of the perceived benefits of e-business adoption include competitive advantage gains, increased productivity, accomplishing business goals faster, and improvement in customer service and, communications with businesses, and supplier relations, (Baggio, 2004).

The World Trade Organization (WTO) narrowly defines E-business as the production, distribution, marketing, sale or delivery of goods and services by electronic means. Specifically, the internet has become undoubtedly the most prominent tool in today's business environment creating a flatter and more interconnected market. This has been mainly attributed to the recent advances in telecommunications, networking

database, data processing, and electronic marketing. On the other hand, the use of internet by business clients, customers, and partners have shown a very rapid growth during the last decade in most parts of the world, but more so in developing countries (reported by Globalization 101, 2014). According to the internet society's Global Internet Report (2014), the world internet users are estimated at 2.2 billion, with developing countries having more than 50 percent of the mobile broadband subscribers. This means not only has internet accessibility at homes, work, or other internet locations like cafes increased in developing countries but also cell phones and dongles. Interestingly, the growth in the adoption of broadband and access to internet has also shown a responding increase in the GDP of developing countries. Ghana is not an exception to this.

This increase in internet accessibility notwithstanding, Ghana is still considered one of the world's less digitized countries with a low percentage of its population that actively conduct business online. As of 2011, about 2 million out of its estimated 24 million populations were active internet users representing 8.4 percent (ITU, 2012). The adoption of E-business in Ghana has grown significantly since 2005, after the government of Ghana (GoG) ratified and adopted an ICT policy – Information and Communication Technology for Accelerated Development (ICT4AD). The purpose of the ICT4D was to create the critical drive and strategies to harness the full potential of ICT for the socio-economic development of the country in most industries. Hence, the Internet technologies are important infrastructure for supporting the activities of a number of public and private sector in Ghana.

Following the increasing adoption of internet in Ghana, the recent availability of e-commerce software and supporting legislation and institutions has radically supported

the adoption of e-business in different sectors. The hospitality industry, specifically hotels, has increasingly adopted innovative technologies to manage and market their services online. The benefits of e-business adoption may have been known to outweigh its cost (Gibbs et al., 2002). Nonetheless, it has become a necessary condition for hotels to operate effectively and efficiently in order to gain competitive advantage. As a result, it appears a reasonable decision for many hotels to explore e-business opportunities to provide new prospects for business development as globalization of markets and doing business internationally has become gradually important.

In recent times, it is uncommon to find a hotel, which does not have an online presence or not least, a social media presence. Although hotels are becoming increasingly cognizant of the opportunities presented by the adoption of e-business, (including ICT mediated services such as electronic booking, online payment, online customer rating, online marketing, connecting suppliers, partners, etc.), the sustainability of E-business strategies to keep up with global competition remains a challenge. To be competitive in the current internet economy, hotels in Ghana need to adopt successful e-business strategies that maximize the opportunities presented and simultaneously minimize the challenges that come with it. Hence, it is important to understand the current benefits, barriers, challenges faced, and status of hotels that have adopted e-business in Ghana.

## **1.2 Statement of Problem**

The proliferation of the internet has not only provided an opportunity for Hotels to do business electronically but also to be more competitive and get a global exposure and access to cross border markets. Generally, the evolution of e-business and

globalization has created a wider global market and competition for all levels of businesses. E-business adoption can be very beneficial to businesses once appropriate measures are put in place prior to its implementation. Despite the growing number of studies on E-business adoption in hotels, there is the need for advancing understanding of the key factors experienced in different contexts around the world. In Ghana, hotel businesses have recently adopted e-businesses with the aim to improve their competitive advantage and increase their sales. However, the few existing literature show that the adoption of e-business (in most part for electronic mail and advertising) have not taking full advantage of e-business technologies when compared to large businesses both locally and foreign (Fillis et al. 2004; Peet et al. 2002; Quayle 2002; Grandon and Pearson 2004). More so, the rapid changing environment, technological advancements and consumer taste and preferences present dynamic challenges to a sustainable e-business. In order to be competitive, hotels in Ghana should ensure e-business aligns with their organizational goals and in turn create positive outcomes for them. Having a well-developed strategy that includes flexibility and adaptability for launching, maintaining, and updating can be crucial.

E-business adoption among hotels is one of the areas that have been less explored. Understanding how hotels have previously benefited from e-business adoption and its implementation will build up literature in this area of study as well as provide informed lessons to e-business implementation in Ghana. This research therefore assesses the level of e-business adoption in some selected hotels in Ghana so as to identify the factors impeding the adoption and the benefits that the early adopters have gained.

### **1.3 Objectives of the Study**

The primary objective is to examine the impact electronic business has on Hotels in Ghana when it is adopted and implemented. The major research objectives include:

1. To investigate the most common types of electronic business applications among Ghanaian hotels (such as e-procurement, e-marketing, e-communication, etc.)
2. To determine the common concerns of hotels in implementation and application of e-business in their work
3. To identify the general benefits of e-business adoption among Ghanaian hotels

### **1.4 Research Questions**

- What is the most common type of e-business adoption among hotels in Ghana?
- How has e-business integrations and applications among Ghanaian hotels affected their overall business operations/performance?
- What are the general benefits of e-business adoption among Ghanaian hotels?

### **1.5 Justification of Study**

This paper hopes to expose the need for e-business adoption among hotels in Ghana. This will help these hotels to broaden their market share by getting online presence and minimize operational cost such as setting up office and staffing. The adoption and implementation of e-business in hotels in Ghana will not only facilitate an increase in their customer base but it will also enhance a mutual and cordial relationship with their customers. Having international presence through implementation of e-business can potentially improve the integrity of businesses.

## **1.6 Overview of Methodology**

This paper is basically a field research which will be conducted through the use of both primary and secondary sources of data. The primary data was collected from sampled respondents selected from potentially five hotels through one on one interviews and questionnaires. On the other hand, the secondary data was sourced from journals, magazines, books, newspapers etc.

Analysis of the data gathered will be done by descriptive analysis by employing tables, figures, graphs, and using correlation analysis.

## **1.7 Scope of the Study**

This research emphasizes mainly on e-business adoption among some selected hotels in Ghana. These service based hotels are chosen for easy data access since hotels are gradually adopting online marketing in their operations. The focus of this paper is on the adoption of e-business among some selected hotels in Ghana and hence it seeks to address the relevance and limitations to e-business adoption among the selected hotels in Ghana. It is worth mentioning that limitations of socio-economic factors like internet access, network, electricity, affordability, road, computers and co-operation from hotels will not permit this research to be conducted among all the hotels in the country, hence the need for the definition of this scope of study. The hotels from whose managers were selected to respond to the issues raised included Pemisca Hotel, La Villa Boutique Hotel, Chequers Lodge, Rings Royal Atlantic Hotel. Legacy Tribe resort, Global summer Hotel, Paloma Hotel, Rocky Hills guest house and gulf view hotel form the last five of the ten selected hotels.

## **1.8 Limitations of the Study**

The nature and purpose of the study impose a limit on the choice hotels to represent the entire population since the research required not only any hotel but the ones that are well organized, keep track of their records and have a readily available data on their businesses. Again, the primary source of data that is required by this research through interviews and questionnaires pose a limitation to this study. Not only will subjective opinions pose potential limitation to the outcome of the research, there is also a risk of not getting adequate time for interviews due to the busy schedule of respondents. It is anticipated that some respondents may be ready to answer questions; others too may be unwilling to disclose some information such as the software they use, the cost of the software, the benefits, and increase in revenue as a result of e-business adoption.

Time and financial constraints are also some of the limitations that a researcher faces since the researcher have to combine full time work and thought academic courses with researching. There is the need to move from one selected hotel to another to gather the information needed and on some occasions tips are given out before information can be accessed.

## **1.9 Organization of the Study**

This is an account of how this research is organized. Chapter One comprises the background of the study, problem statement, objectives, research questions and justification, methodology, the scope and limitations of the study. Chapter Two considers the literature review on areas of the origin and conception of e-business, awareness and adoption of e-business by hotels in Ghana, benefits and problems of e-business adoption by hotels as well as the impact of e-business adoption in general.

Chapter Three discusses the methodology used to analyze the primary data gathered and also give account of the profiles of the case study hotels selected. Chapter Four looks at data presentation and analysis as well as discussion of results. Chapter Five summarizes the entire work, and makes recommendations and conclusions based on findings.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

An inevitable effect of the increasingly global nature of business today coupled with the advances in information and communications technologies have compelled corporations to employ emerging technologies in order to remain competitive. Understanding the global nature of business and competition is critical to economic and strategic success. Over the last two decades, many corporations to improve operational efficiency, profitability, and to strengthen their competitive position globally Andreau et al., (2010) have adopted electronic business. More specifically, due to the fragmented and information-oriented nature of business, the global hospitality industry (mainly hotels) has adopted e-business not only as a technological innovation Srinivasan et al., (2002) but also as a business strategy (Lichtenthal & Eliaz, 2003; Webb, 2002; Varadarajan & Yadav, 2002; Wu et al. 2003).

The adoption of e-business poses both opportunities and challenges. Existing articles have often placed emphasis on e-business adoption strategies and impacts (e.g., Fisher and Reibstein 2001; Sawhney and Zabin 2001). This notwithstanding, little is known about e-business adoption, implementation, impacts, and challenges in Ghana. To be able to tackle the problem and questions listed under section 1.2 and 1.4 respectively, there is a need to review the existing literature and theoretical frameworks for e-business adoption. Moreover, a conceptual model is outlined to clarify the relationship between the concepts.

## **2.2 Definition and Evolution of E-Business**

The advent of Internet technologies (World Wide Web, intranet, extranet, etc.) and the knowledge on how to implement them in businesses forms the initial point for the concept of e-business. The definition of e-business found in literature is broad. According to IBM, which has defined this concept in 1997, "e-business can be the key in transforming business processes using Internet technologies". Hinson and Sorenson (2006) define e-business as "the application of information and communication technologies (in both online and offline format) to execute or facilitate the execution of organizational functions like financial management, marketing management, strategy leverage, production management, information systems, logistic management, customer relationship management, and human resource management". Other definitions have emerged from other authors such as Sawhney and Zabin (2001); Amit and Zott (2001). However, this paper adopts the definition of e-business as "the use of Internet and communication technologies to link customers, suppliers, business partners, and employees using at least one of the following: (a) e-commerce websites that offer sales transactions, (b) customer-service websites, (c) intranets and enterprise information portals, (d) extranets and supply chains, and (e) IP electronic data interchange" ("Information Week research survey" 1999). It is important to note that e-business is often used interchangeably with e-commerce despite the subtle difference between the two. While e-business refers to any use of Information Technology (IT) within a firm, e-commerce is limited to the selling and buying via the Internet.

The emergence and continual advancements in technology have caused inevitable transitions in e-business concepts, functions, and forms. Despite this e-business can be classified into three (3) different transitional stages. After its introduction in 1997, the

first stage was classified as efforts to conduct e-business before the dawn of the Internet (Tallant, 2011), specifically using computers to shift e-business approach from B2C to B2B. According to Owens (2006), the second transition began in 2001 when most businesses progressed from B2B to B2E, c-commerce, e-government, e-learning, and m-commerce<sup>i</sup> in e-commerce (buying and selling using the internet) i.e. most business started to conduct sales transactions electronically. While the second transition was an improvement in comparison to the first, online transactions (e-commerce) had not been integrated in all aspects of organizational functions and hence the third transition became necessary. The current generation of e-business evolution (third transition) integrates all the functions of an organization with electronic sales data (Tallant, 2011). As a result, organizations are moving towards the integration of electronic sales. This has resulted in the inclusion of electronic platforms that connect all parts of the organization both internal and external such as customers, suppliers and an ultimately improved supply chain and internally to marketing, customer service, finance, staffing and fulfillment Owens (2006). Organizations that realize how important effective integration of systems and process are usually gain significant and competitive advantages. Quite often in the hospitality industry, many hotels improve their competitive advantage through the effective use of e-marketing as part of the e-business process.

### **2.3 Advantages and Disadvantages of E-Business<sup>ii</sup>**

With reference to the previous section of this paper, it has been known that E-business<sup>iii</sup> encompasses various business processes that aim to integrate vendors or traders with the consumers and suppliers using the Internet and other ICT tools. Many experts have discussed the benefits of e-business (Zhu and Kraemer, 2003; Gibbs et al., 2002; Wu et. al. 2003; Wu and Chang, 2006; Patterson et. al., 2003; Porter, 2001) but the

cost associated with e-business has been relatively less discussed. In many cases the entire process of setting up an e-business platform such as website, helping the prospective customers navigate through the website, showing them the available products, offering discounts and vouchers and doing everything possible to woo the prospective clients and converting them into customers, presents significant costs to businesses. For instance, Zhu and Kraemer (2003) note that even though there are multiple benefits of e-business, there are cases where many firms, concerned about falling behind on the technology curve, engage in e-business initiatives without deriving any benefits. Therefore, firms require an understanding of both advantages and disadvantages of e-business adoption. These are evaluated from e-business adopters' point of view.

### **2.3.1 Advantages**

E-business adoption presents businesses with the opportunity to conduct business online with global customers without any geographical barriers. Often cited by researchers as one of the biggest opportunity presented to businesses, firms engaged in e-business can have nationwide or a worldwide presence. According to Longenecker et al. (2011), this advantage is even greater for small businesses and start-ups as they would have operated in confined brick-and-mortar world and would typically serve only a restricted region. Similarly, for many hotels whose e-business models are mainly built around e-commerce, the advantage of expanding their reach beyond their country of origin or operation becomes more critical. With online presence or by means of websites, many hotels have the opportunity to advertise and also sell their products in any country without necessarily contacting any local company or needing large investments. Some of the concrete evidence of e-business includes first mover advantage firm such as IBM, Dell, and Amazon Marketplace.

IBM was one of the first companies to use the term e-business to refer to servicing customers and collaborating with business partners from all over the world. Dell Inc., too, had a flourishing business selling PCs throughout the U.S., only via telephone and the Internet until the year 2007. Amazon.com is another success story that helps people buy internationally from third parties.

Today, many firms within the hospitality industry who have adopted e-business models in their day-to-day operations have arguably enjoyed international presence and hence market beyond their borders. Savrul and Kilic (2011) who related globalization to e-business, emphasize that globalization has strengthened the ability of firms' or businesses to leverage e-business opportunities due to the elimination of trade protectionist policies. This means globalization reinforces the ability of firms to reach the most remote markets easily, which as a result provides trade volume and profit of both demand and supply side. According to Jeffcoate et al. (2002), e-business has become the cheapest way for the hospitality industry in general to access the global marketplace. This is true for the hospitality industry where many hotels with e-business models have promoted their products and made information readily available and accessible to their global prospective clients. This claim is supported by the Internet User Report in 2007 which state that websites presents information oriented firms or industries (such as hotels) the functionality of an online directory that allows prospective clients to have flat communication with the firms to demand for either more information or clarification- a necessary condition for marketing their products.

Another advantage of e-business adoption to be discussed is efficiency and low transaction costs.

E-business is seen by most experts Gibbs et al., (2002) and Porter (2001) as a vehicle for improving business operational performance at a lower cost or as a whole new platform for doing business with great prospects for achieving optimum gains – operational maximizing. Firms often view e-commerce as an additional channel for doing business, as a means of reducing costs, as a vehicle for improving operational performance, or as a completely new platform for doing business with great prospects for achieving these gains (Gibbs et al., 2002). These gains are achievable through total business process automation by integrating e-business models with the administration system thus leading to the increase in the general productivity.

For instance, using the web to market products guarantees worldwide reach at a nominal price. Online advertising techniques, like pay per click advertising, ensure that the advertiser only pays for the advertisements that are actually viewed has emerged because of e-business –generating low cost advertising for both operators and consumers. The costs are minimized because one or more units within the supply chain are eliminated. Similar reasoning is applied by Delone and McLean (2002) who describe the net benefit of e-business (online marketing) as whether Internet purchases saved individual time and money, and whether the benefits such as supply chain efficiencies yielded positive net benefits for an organization. A B2B e-business firm operates as virtual distributor that uses the Web to compete directly with traditional middlemen.

Another advantage that e-business offers is that it reduces overall marketing expenses and costs of market research. E-business permits managers to collect, gather, utilize and disseminate information either from a website or via electronic mails. From an operational perspective, e-business can be effectively used to generate and store huge

data on existing customers, and the ability of a business to generate valuable knowledge by analyzing such data could be a source of competitive advantage for the business (Ramanathan et al., 2012).

Similarly, from an operational perspective, firms can use e-business to share information effectively internally and externally across the entire supply chain resulting in improved forecasting accuracy and reduced costs could be a source of competitive advantage. E-business can be used to improve operational aspects such as internal communication, order processing, order fulfillment and delivery, and marketing aspects.

### **2.3.2 Disadvantages**

Despite the above-mentioned benefits that can be gained from e-business, there are also several disadvantages. Scholars like Braun (2004), Hollick (2003) note that the inability of businesses to embrace e-business as an operational vehicle is due to the issues of trust, organizational readiness, lack of financial and technical resources, investment complementarities and technology standardization. These seem to be hindering the wide adoption of e-business solutions (Dai & Kaufmann, 2002). This paper tackles only a handful of these disadvantages.

The technical limitations to e-business include the cost and hassle of developing and maintaining an electronic business infrastructure (such as an up and running website, emailing systems), insufficient telecommunications bandwidth and constantly changing software, more so in developing countries. Technical issues can arise during the entire e-business implementation process, from developing the content up to customer's complaints regarding the speed and ease of using an e-business platform. In addition, external limitations beyond the ability of businesses should not be

overlooked. As emphasized by Longenecker et al. (2011), businesses or firms should take into account the clients' access limitations with regard to cable, wireless, and other connectivity options, as well as the fact that some potential customers still do not have convenient access to internet, especially in developing countries alike. This is seen as a major challenge for e-business adoption across sectors.

A major issue with certain models of e-business (ecommerce) with e-commerce is trust in web vendors that consumers have and the lack of trust which leads to deterrence of consumer adaption of e-commerce (Bhattacharjee, 2002). A lack of trust in the technical and institutional environments surrounding e-business platforms can hinder its adoption. Gefen (2000) note that trust is an important aspect of e-business, and more so when it comes to actually purchasing products than when it comes to using e-business as a means of obtaining information. The author reveals that familiarity is another important aspect influencing e-business. This is an important finding, because it provides guidelines on how companies engaging in e-business can build potential customers' trust through increased familiarity with the company and its e-business procedures. According to Kim et al. (2009), businesses need their clients trust in their e-business platforms to make it successful. Trust is an important factor to consider in e-business, since most transactions are carry out across large geographical distances. Thus, under e-commerce model for instance, a consumer's belief concerning the online selling party is an important determinant of his or her willingness to make a transaction through the website.

The main disadvantage of e-business is the lack of necessary infrastructure needed to make e-business implementation easy and efficient. The social aspect of e-commerce also means dealing with different cultures, languages, and legal systems around the

world. While businesses are encouraged by experts to adopt e-business and step into the electronic marketplace, not all developing countries are yet ready for e-business. For example, Molla and Licker (2005) state that developing countries successful adoption of e-business strategy in an organization depends on its perceived e-readiness in e-business, managerial, organizational, and environmental contexts. The low level of information and communications technology diffusion in an economy can also limit the level of e-business awareness, a factor taken for granted in the developed countries. In addition, in most developing countries, Internet use and e-business practices have yet to reach a critical mass for the network externalities to take effect and encourage businesses to opt for e-business innovations. This means that firms should take into account that they cannot target all countries, because some countries are not yet ready for e-business.

Another issue related to e-business readiness is top management's perception of the internal organizational readiness to adopt e-business. The perceptions of the fact that there exist personal and situational impediments to the performance of a firm is likely to affect firm's e-business adoption. Top management's intention to adopt e-business would therefore be stronger if they are committed to it and they are also well aware about the perceived magnitude of strategic value to the firm.

#### **2.4 E-Business Adoption Stages**

The adoption of e-business is of a continuous nature in the sense that the extent of its adoption across business processes may change with time. As noted in section 2.2, e-business integration into businesses has two main facets: (i) the integration of the supply chain in order to gain a seamless process; and (ii) establishing an open systems of communication between clients, suppliers and partners. The business benefits from

implementing the appropriate e-business solutions for your business can be immense, but choosing which solution to use and when to implement them is not a simple task not to mention the stages involved in implementation. It would appear that there are myriad solutions and hundreds of providers supplying proprietary versions of those solutions.

The stages of e-business adoption differ across countries and sectors. Consequently, multiple models have been discussed in literature (Damsgaard, 2000; Goldkuhl, (2006)) with regards to they discuss the adoption and maturity of information systems management strategies from the operational level to the strategic level in organizations.

For the purpose of simplification, this paper will discuss the general stages of e-business adoption.

#### **2.4.1 General Stages of E-business Adoption**

Generally, the first stage of e-business adoption is the adoption of e-mail (Adelaar, 2004). Communicating and sending files within businesses and externally between customers and suppliers has been proven to be relatively cost effective, efficient, and faster method with e-mail. E-mail adoption as the first stage of e-business adoption is closely correlated with the setting up of a local area network (LAN) to link computers within a building. Compared with a wide area network (WAN) that links computers between sites, setting up a LAN is relatively simple and so the costs of implementation are much lower. Both types of networks facilitate electronic communication in the form of e-mail, file sharing and data back-up within an organization.

The second stage on the path to e-business is the establishment of a web presence. In the past the first company website was often a 'flat ad website'. This is the simplest form of website, consisting of a one or two-page document providing background information on the company, its contact address and telephone number. In the past a flat ad website did not always have an e-mail link, although this is now a standard feature. A more sophisticated web presence is provided by a 'brochure website'. This provides details of product/service specifications, price, and availability, and may make use of graphical illustrations of products much in the manner of a mail order catalogue. A brochure website also opens up the possibility of online ordering and payment. Online selling provides a relatively low cost means of reaching a large number of customers. Additionally, the geographical reach of a website is far greater than that of a traditional retail outlet. If a digital commodity is being sold, then multiple copies can be distributed across the internet at zero marginal cost. If the commodity cannot be digitized then a means of physical delivery, e.g. overnight carriers, needs to be organized.

In their work on marketing on high technology products, Mohr et al. (2009) show that the introduction of online selling invariably requires large-scale changes in information systems supporting outbound logistics - including stock and inventory control, warehouse management, and delivery planning and control – and marketing and sales. This often requires the introduction of new complementary ICT technologies, new competences and business practices, and a degree of organizational restructuring.

Porter's value chain model is very much applicable to the stages of e-business adoption. It is evident that higher degrees of organizational restructuring are

associated with each of the stages up to e-business. E-mail is relatively easy to adopt because its introduction affects those internal information systems linked to support activities in the value chain. By contrast, online selling requires a higher degree of organizational restructuring because its introduction affects outbound logistics and marketing, both of which are primary activities in an organization's value chain. A still higher degree of organizational restructuring is required for businesses making the transition to e-business itself. As noted, e-business involves both the restructuring of supply chains and the reconfiguration of the business-customer interface with the aim of constructing a seamless web between customers and suppliers along the supply chain. This restructuring affects all of the primary activities of the organization's value chain: in-bound logistics, operations/manufacturing, outbound logistics, marketing and sales, and after sales support. The internet provides a common, interoperable platform for this new business model.

In recent years, a set of additional elements have evolved in the e-business adoption model as outlined in section 2.2. Interactive websites, incorporating technologies such as dynamic databases and videoconferencing, facilitate multilateral communications between client and provider regarding product design. Extranets enable a business to share part of its information or operations with suppliers, vendors, partners, customers, or other businesses. These can be used to check raw material requirements, investigate stock availability, and check the progress of an order. For many businesses, this represents an important step in the adoption of new working practices with partners. Internally, new ways of working are also being explored by offering employees remote access. Marketing and sales are further transformed by the development of after sales support underpinned by database records of customers and telephone call centres. Finally, e-business requires the introduction of new financial

management practices and support systems due to the high degree of complexity, and the need for continuous information collection and monitoring in order to optimize a business' cash flow, in real time.

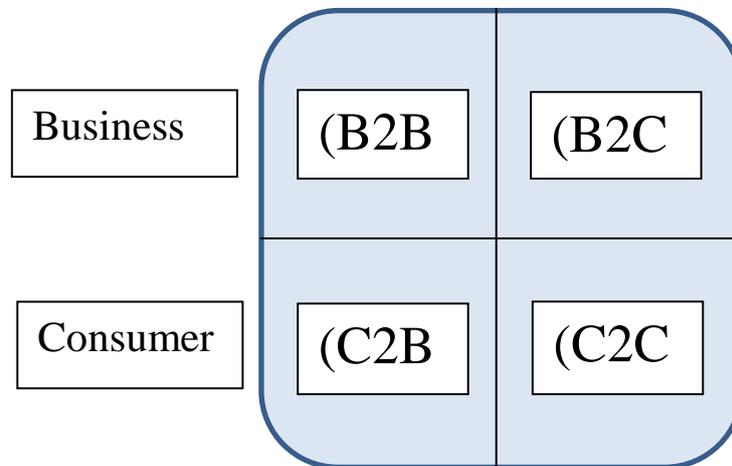
## **2.5 E-Business Models**

Companies in the hospitality industry adopt and implement suitable electronic systems, structures and methods (models) to remain competitive globally. Generally, these models consist of information input, information processor and an output of expected results. Some key features in common with the development of any model are: simplifying assumptions must be made; boundary conditions or initial conditions must be identified; the range of applicability of the model should be understood.

A business model simply describes the general details about the operations of a business. There are different components contained within a business model including the functions of a business such as the expenses, revenues, operating strategies, corporate structure, sales and marketing procedures. Generally, anything that has to do with the day to day functionality of the corporation can be said to be part of the business model. Timmers (1998) defines a business model as an architecture for the product, service and information flows, including a description of the various business actors and their roles; a description of the potential benefits for the various business actors; and descriptions of source of revenues.

There exist several E-businesse-business models potentially applicable to the hospitality industry across the world but the most common models include: business-to-business (B2B), business-to-consumer (B2C), portals, websites as goodwill or promotional vehicles, and mobile commerce. Companies should carefully analyze their business and evaluate the benefits and costs of each model to ensure that they

utilize the best system for their business. The selection of a suitable model can lower intermediary costs, reduce purchasing costs, improve buyer and supplier relationships, and improve market share or development (Barau et al. 2001).



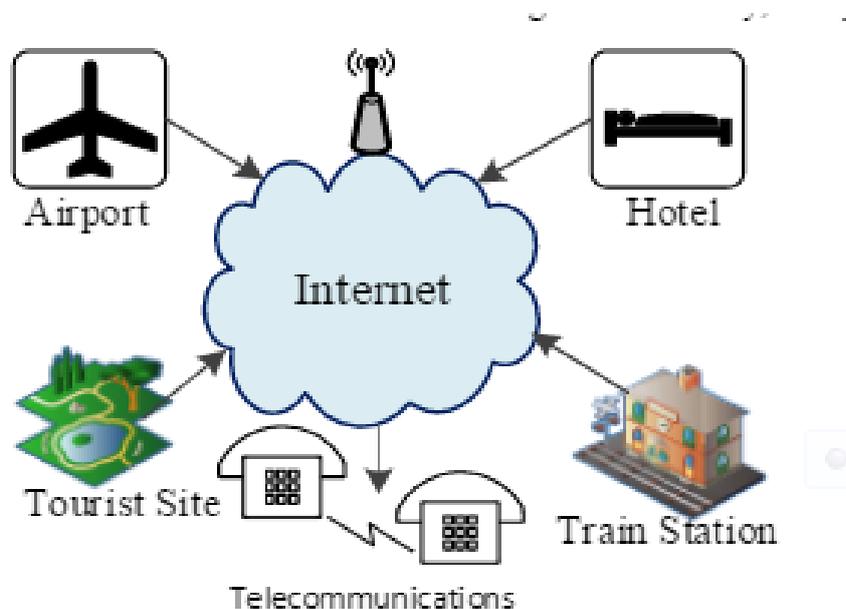
**Fig 2.1. Basic E-Business Models**

**Source: Harvard Business Press, 2001, p. 25.**

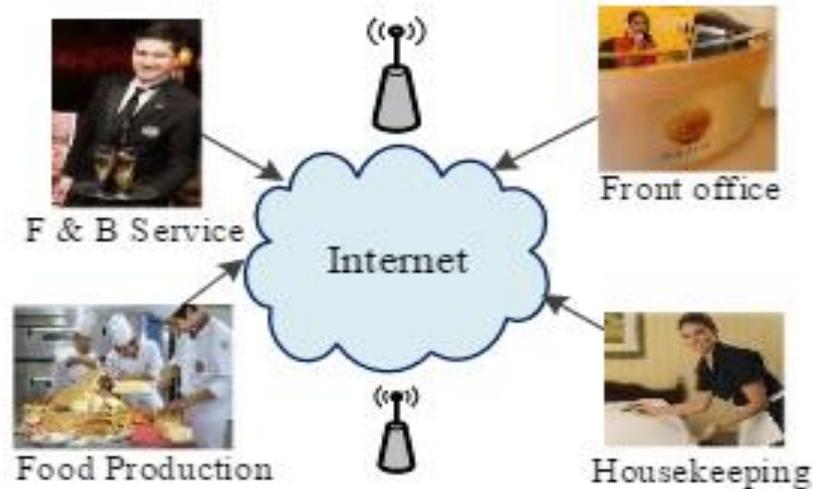
The marketing techniques used in a B2B environment differ from those used in a B2C environment. Canning et al. (2010) categorize these differences into market into market structure, buying behavior and marketing differences. B2B markets are generally characterized by derived demand which means that businesses only buy things to facilitate the production of goods and services. Further, they possess relatively higher concentration of demand than consumer markets. As a result, the elasticity of demand in B2B market is lower compared to consumer markets as businesses have less freedom to simply stop buying things. Following these characteristics, businesses tend to have more professionalized buying processes than consumers, which are implemented by managers specifically employed as purchasing professionals. Moreover, the degree of interactivity between B2B buyer and seller, as well as the importance of relationship are higher in a B2B environment. This suggests the complex nature of B2B buying behavior relative to B2C.

The sales and transaction volumes are also higher in business markets (ibid). The authors suggest that conventional tools of consumers' mass marketing are not very appropriate; promotional messages must be tailored to the specific needs of consumers. This corresponds with the most frequently used promotional tool in B2B marketing – personal selling – while advertising is more often used in B2C context.

Asabere et al. (2014) illustrates an internet connection of some business organizations related to the hospitality industry. These business organizations consist of Airport, Hotel, Tourist Site, Telecommunications and Train Station. Through such an internet connection these organizations are adopting a B2B e-business model and thus conducting external business processes and activities. Additionally, the authors depict the internet connection between four major departments of a Hotel, namely, Housekeeping, Front Office, Food and Beverage (F & B) Services and Food Production. This shows how e-business models can be practiced and adopted internally by major and relevant departments of organizations in order to acquire important communication and output benefits.



**Fig 2.2: Example of B2B Connection with Internet**



**Fig 2.3: Internal E-business adopted**

## **2.6 E-Business Adoption Models**

The adoption of e-business is of a continuous nature in the sense that the extent of its adoption across business processes may change with time. Various literatures have focused on the study of e-business adoptions based on innovation adoption theories such as Davis' (1989) Technology Acceptance Model, Rogers' (1995) Diffusion of Innovation Theory and Tornatzky and Fleischer's (1990) technology-organization-environment (TOE) model (Premkumar et al., 1994; Iacovou et al., 1995; Kuan and Chau, 2001; Ngai and Gunasekaran, 2004; To and Ngai, 2006).

According to Rogers's Diffusion of Innovation Theory, the decision to adopt an innovation is based on five factors: relative advantage, compatibility, complexity, trialability and observability. Relative advantage is the degree to which an innovation is perceived to be better than the innovation it is replacing. Compatibility is whether the innovation is compatible to the potential adopters' values, needs and experiences. Complexity is the extent to which the innovation is perceived to be difficult to use or understand. Trialability is whether the innovation can be experimented before

committing to the full deployment of the innovation. Finally, observability is whether the benefits of the innovation are visible.

TOE model is based on adoption factors such as organization, technological and external environment. Organization factor includes organization attributes such as its size, centralization, formalization, quality of its human resources, amount of slack resources available internally and complexity of the organization's managerial structure (Shen et al., 2004). Technological context looks into the internal and external technologies that are relevant to the organization. External environment includes the industry an organization is in, its competitors, and accessibility to the resources supplied by others (Shen et al., 2004).

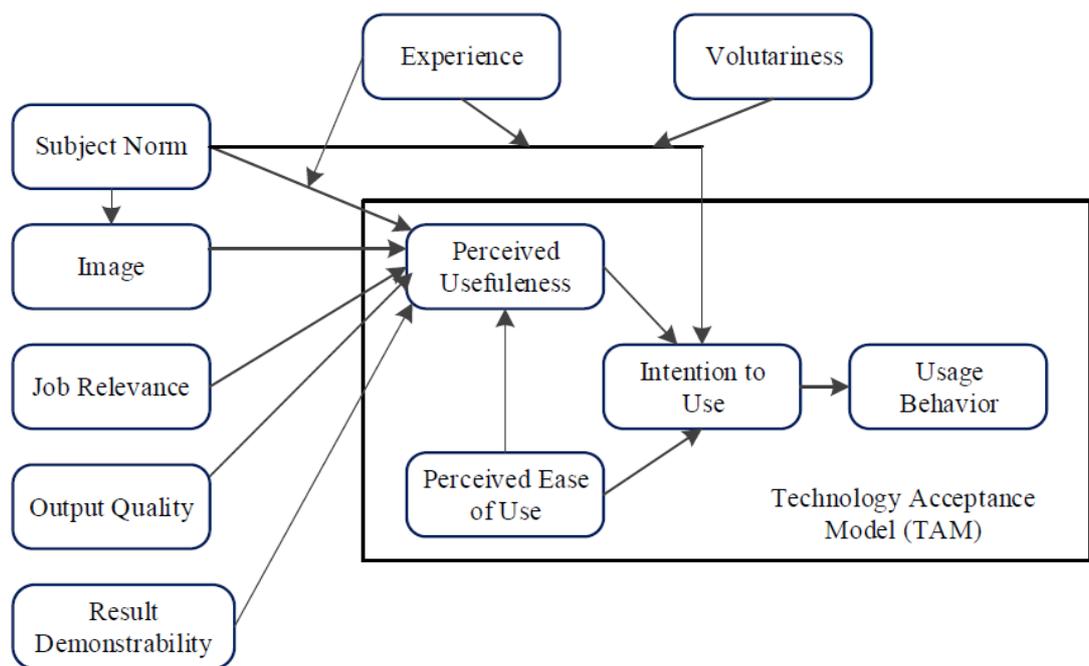
The Technology Acceptance Model hypothesizes that an individual's behavioral intention to use a system is determined by two beliefs: perceived usefulness, defined as the extent to which a person believes that using the system will enhance his or her job performance, and perceived ease of use, defined as the extent to which a person believes that using the system will be free of effort. TAM suggests that the effects of external variables (e.g. system characteristics, development processes, training etc.) on intention to use are mediated by perceived usefulness and perceived ease of use (Davis, 1989; Venkatesh and Davis, 2000). Despite the aforementioned theories, TAM has been deemed the most relevant model to explain E-businesse-business adoption across businesses and sectors. In particular, significant theoretical and empirical support has accumulated in favor of TAM. Numerous empirical studies have found that TAM consistently explains a substantial proportion of the variance (typically about 40%) in usage intentions and behavior, and that TAM compares favorably with the other alternative models. As a result, tis paper focus on TAM and

assess its applicability to E-business adoption in the hospitality industry in Ghana.

The model explains key factors of user acceptance of information systems, as well as to predict the relative importance of the factors in the diffusion of technological systems (Davis, et al, 1989). This model attempts to derive the determinants of computer acceptance that is general, capable of explaining user behavior across a broad range of end-user computing technologies and user populations, while at the same time trying to be parsimonious and theoretically justified (Davis et al, 1989). The model has evolved to encompass social influence processes (subjective norm, voluntariness, and image), job relevance, output quality, result demonstrability, and perceived ease of use as determinants of perceived usefulness and usage intentions.

The theoretical concepts in TAM is very applicable in Ghana's hospitality industry Asabere et al. (2014). According to them, Individual workers in the hospitality industry of Ghana need to accept the use of technology and ICT in order for e-business to be successfully adopted. Non-acceptance of ICT usage will result in the failure of e-business adoption. After acceptance of technology and ICT, individual workers in the hospitality industry especially at top and middle management level have to adopt continuous usage of technology in order to sustain e-business. Vanketash and Davis (2000) hypothesized that a decrease in the strength of the social influence processes affect perceived usefulness and intention to use. Therefore, for effective adoption of e-business in terms of initial and future technology usage, Asabere et al. (2014) recommends that the hospitality industry in Ghana has to ensure that various workers within different organizations exhibit social influences through appropriate subjective norms, suitable voluntariness and favorable images within the

organization. In terms of job relevance, they suggest there should be procedures established and adopted to make sure many relevant workers have job functions that are relevant to the e-business activities of the organization to ensure that the workers are capable of providing support to the e-business system. Furthermore, if the results of e-business adoption and usage demonstrate positively, then the perceptions of usefulness of e-business within the hospitality industry in Ghana will increase thus ensuring successful adoption of e-business.



**Fig 2.4: Adapted from Asabere et al. (2014) - Technology Acceptance Model**

## 2.7 Hospitality Industry in Ghana

Since the late 1980s, the hospitality industry has received considerable attention in the economic development strategy of Ghana. The number of tourist arrivals and amount of tourists' expenditure have progressively increased, while both public and private investment activity in hotels have expanded (Teye, 2000). With the establishment of the Ministry of Tourism (MoT) in 1993 and the consistent financial assistance from

the United Nations Development Programme (UNDP) and the World Tourism Organization (WTO), the tourism sector in Ghana has seen significant development from 1996 to 2010 (ibid). As a result, foreign direct investment in hotels has been buoyant. For example, between 2000 and 2005, visitor arrivals and spending increased by 46 per cent and 68 per cent respectively (Bank of Ghana, 2013).

International tourists' arrivals and receipts have shown steady and positive trends since 1991, except for a slight dip in arrivals in 2005. Tourist arrivals significantly increased from 172,000 in 1991 to 429,000 in 2005 (ibid). A close look at the origination of tourists in Ghana from thirteen generating markets indicates that there were consistent upward trends in arrivals irrespective of origin between 1991 and 2005. Hotels in Accra, Ghana and other major cities show annual average occupancy rates of 75%, which is indicative of the vibrant demand and commercial profitability of hotels, particularly those offering international standards (National Tourism Development Plan (2013-2027)). This implies that the products offered by hotels needed to be consistent with the expectation and taste and preferences of these tourists. To realize the full benefits offered by the industry, hotels in Ghana must properly meet international standards (Bopkin and Nyarko, 2009). Businesses are increasingly being asked to shoulder responsibility for their social, ethical and environmental impact, with this pressure particularly felt in consumer-facing industries.

This notwithstanding, e-business as a concept and as an operational strategy continue to be relatively new to hotels in Ghana despite its growing adoption. From the comparable studies undertaken by Bopkin and Nyarko (2009), they revealed that 3-star and 4-star hotels in Ghana has improved on the adoption of international

standards such as websites, online booking, online enquiry platform, as well as governance and ethical standards. Additionally, Ghana has played a leading role in the harmonization of hotel and restaurant licensing standards in West Africa, which is part of the Revised Treaty of the Economic Community of West African States (ECOWAS).

The number of airlines flying to Ghana has doubled since 1996 when there were 15 international airlines with scheduled flights to Kotoka International Airport (KIA) and four cargo airlines. In 2012, 30 passenger airlines and six cargo airlines flew to Accra and several more are currently applying for routes, these include: Royal Jordanian, Qatar Airways, Air Namibia, China Eastern Airlines and Air Canada. Passenger numbers have increased from 352,000 in 1996 to over 1.73 million in 2011 (National Tourism Development Plan (2013-2027)). Domestic air services have increased from two routes to four routes. Accra is still the only international air gateway although there are plans to expand the airport in Tamale (Northern Region of Ghana) for international flights and to build a new international airport at Takoradi (Western Region of Ghana). Whilst these developments are mostly driven by demand from the business sector, greater air access opportunities will also benefit the development of leisure tourism (ibid).

It is inevitable that there is and will continue to be increased competition for existing hotels due to new entrant hotels such as the 5-star Airport City Hotel (Marriott) and the Kempinski Hotel in downtown Accra. Today, the competitiveness of the Hotel industry in Ghana and the method by which firms competes has a considerable effect on the firms Information Technology performance. The intensity of competition amongst hotels within the same location can affect the decision of those hotels to

either adopt or ignore e-business. As a result of e-business, hotels have begun to alter the way they manage their internal and external operations. Considered as an essential tool in improving and enhancing the competitiveness (Fraser and Wresch, 2005), e-business adoption among hotels have become essential in their business processes, decision making, and competitive advantages.

**Table 2 1: Licensed Star Rated Hotels in Ghana between 2005 and 2010**

	Y					
	2005	2006	2007	2008	2009	2010*
<b>5-</b>	1	1	1	1	1	1
<b>4-</b>	4	4	4	4	5	5
<b>3-</b>	2	3	2	2	1	2
<b>2-</b>	13	13	13	14	16	16
<b>1-</b>	15	16	15	18	18	22
<b>Total Number of Star</b>	<b>32</b>	<b>34</b>	<b>31</b>	<b>36</b>	<b>37</b>	<b>41</b>

*Adapted from: Asabere, N., Y., Doku, V., Kusi-sarpong, S., & Oppong, D. (2014).*

*Adopting Electronic Business in Ghana: Story of the Hospitality Industry.*

*International Journal of Computer Applications 85(4):1-9. (page 6)*

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter deals with the research methodology. It gives in detail the steps taken in conducting the research, the study area, the population and the sampling techniques used, data collection procedures, research instruments used, research design and the data analysis used. Many writers have written extensively on research methodology. The underlying factor in most studies on research is that the selection of the methodology is informed by the research problem and stated research questions. Methodologies cannot be true or false, only more or less useful (Silverman, 2003).

#### **3.2 Research Design**

The strategy adopted in carrying out this research is a case study approach. Case study can be explained as the intensive analysis of a single or few cases in their own right with little relationship with each other or the social context. This was chosen because the respondents are perceived as experts but not just a source of data, that there is the need to avoid errors and distortions and to enable us study the whole units in totality. Yin (2003) has described five primary strategies for research in social sciences to collect empirical data. According to him, depending on the character of the research questions, to which extent the researcher has control over behavioral events and to what degree the focus is on contemporary event, the research can choose from survey, analysis of archival records, history and case study.

In this study, case study and survey approach have been used since this research deals with the extent, benefits and challenges of e-business adoption in Ghana hotels.

### **3.3 Study Population**

A research population is generally a large collection of individuals or objects that is the main focus of a scientific query (Neuman, 1997)

The target population for this study is hotels and guesthouses, which provide lodgment services with active websites. Website is said to be active when it provides an avenue for customer interaction in the form of mail back, online chats and answers customer concerns online. The numbers of hotels that are listed on the Ghana Tourism Authority website are 1,869; out of this figure 128 hotels are listed with websites of which only thirty 30 are confirmed to be active and thus constituted the population. Out of these thirty, the study will select ten (10) hotels all based in Accra due to logistics constraints to conduct over multiple cities.

### **3.4 Sampling Techniques and Sample Size**

The sample size for a given study is derived by considering the population size of that study. A non-probability sampling technique was employed. In using this sampling technique, purposive sampling was selected. This technique was employed because it is the best means of getting respondents who have adopted and used e-business and are knowledgeable and abreast with this subject matter (Kirk, 1995).

Non-probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected. Purposive sampling is a non-probability sampling technique where the researcher selects units to be sampled based on their knowledge and professional judgment (Neuman, 1997). In line with the purposive sampling method, hotels that operate with active websites were selected and consequently the managers and information technology supervisors of these hotels were contacted to participate in the study through questionnaire.

The sample size of ten (10) respondents was recruited for this study. The target population yielded thirty (30) hotels that operate with active websites and for smaller populations of hundred potential subjects or fewer; there is little point in sampling but to survey the entire population (Kirk 1995).

### **3.5 Data Collection Procedure**

Two main sources of data was used in this research namely primary and secondary data. Primary data was collected through the administration of structured questionnaire. The responses are were given by the managers of the sampled hotels. Secondary data was also obtained from websites, research reports, annual reports, books, journals and articles.

#### **3.5.1 Research Instruments**

The primary instrument used in the data collection is questionnaire. Reliability is a key consideration in this study and thus the questionnaire will be pretested in two hotels. The responses received will help to fine-tune the final questionnaire. Reliability means dependability or consistency (Neumann, 2006: 196). It indicates that the likelihood that a given measurement technique will repeatedly yield the same description of a given phenomenon. The role of reliability is to minimize the errors and biases in a study (Yin, 2003). The pretesting is expected to reveal issues regarding clarity, accuracy and appropriateness. Providing solution to these issues will ensure that the final questionnaire is valid, reliable and appropriate for the study.

Validity refers to the extent to which a measure reflects the concepts it intends to measure. If the measures used actually measures what they claim to, and if there is no logical errors when drawing conclusions from the data, the study is said to be valid (Trochim, 2005).

### **3.6 Data Analysis**

The author employed Google Spreadsheet as the main analytical tool for the research. Findings will be presented in figures, narrative form, descriptive form, graphs and bar charts. Data analysis generally consists of examining, categorizing, tabulation or otherwise recombining the evidence to address the initial proposition of study. The ultimate goal of analyzing data is to treat the evidence fairly to produce compelling analytical conclusions and to rule out alternative interpretations (Yin, 1994). In another sense, data analysis is seen to consist three concurrent flows of activities. These three are data reduction, data display and conclusion drawing and verification (Miles and Huberman, 1994). Data reduction as an integral part of data analysis will be carried out to sharpen, sort, focus, discard and organize the data in a way that allows for final conclusions to be drawn and verified. In this sense, data reduction refers to the process of selecting, focusing, simplifying, abstracting and transforming the raw data (Miles and Huberman, 1994). However, the author holds such conclusions lightly, while maintaining both openness and degree of skepticism. The stability and consistency of results expected to be derived from the research is contingent on the probability that the same result could be obtained if the measures used in the research were replicated. Essentially, reliability is connected consistency, accuracy, and predictability of specific research findings. In addition, the role of reliability is to minimize the errors and biases in this study.

### **3.7 Study Area**

This research is based on the hospitality industry in Ghana, with specific emphasis on hotels. This is because hotels provide the core foundation for the development of a viable hospitality industry in Ghana. Some of the hotels also provide other hospitality services in addition to lodging. This makes the hotels an interesting research area for

the development of e-business in the sector. The past few years have seen phenomenal growth in the Ghanaian hospitality sector. Ghana hospitality sector has been very liquid, profitable and recording strong asset growth. The hospitality sector has seen major capital injection partly because of the political stability, attainment of micro and macro stability and the government's desire to make Ghana "number one tourist country" of the sub-region. For instance, non-interest income for the industry increased by 19% from ₵2.7tn in 2004 to ₵3.2tn in 2005 (George M and B-Milliar, 2007). Over the five-year review period, net profit had increased by 56%. Industry net profit tax margin dipped from 29.64% (2001) to 33.99% (2005). Industry returns on equity (ROE) has decrease steadily from a high of 43.9% in 2001 to 26.9% in 2005 while return on assets dropped from 5.7% to 3.5% percent giving an indication of the increasing competitive nature of the hospitality industry (Pricewater House Coopers, 2006)

Most hotels now employ cutting edge technologies to roll out their products to their customers. Hospitality halls are housed in ultra-modern buildings, staffed with well-trained ladies and gentlemen. Because of the very fierce but healthy competition in the hospitality sector, daily newspapers are adorned with catchy adverts of re-branded or products all in an attempt to lure new customers to their products and services. Many hotels in the commercial centres now work half day in Saturday, thus making it possible for busy workers to access hospitality services at the weekends (Pricewater House Coopers, 2006). Recent and emerging developments suggest that cost competitiveness, customer sophistication, technology and regulatory changes will be the main drivers of change in the industry and hotels are able to position themselves to embrace these challenges will emerge winners (Ibid).

The hospitality sector in Ghana has remained one of the sectors with brightest opportunities despite increasing competition (Pricewater House Coopers, 2006).

## **CHAPTER FOUR**

### **DATA ANALYSIS AND DISCUSSION**

#### **4.1 Introduction**

The fourth chapter of the study presents the background analysis of data and proceeds to present the results and its interpretation in the light of the research objectives and questions in the same sequence as listed in chapter one. The chapter continues by linking the findings of the study to the literature reviewed in chapter two. This chapter has been divided into sections. Section A investigates the most common types of electronic business applications among Ghanaian hotels; Section B determines the common concerns of hotels in implementation and application of E-business in their work; Section C identifies the impact of E-business applications on the overall business performance of the hotels in Ghana and Section D identifies the general benefits of E-business adoption among Ghanaian hotels. The use of and tables are employed to give more meaning to the findings and the analysis. All the data in this section are primary source (that is first-hand information) gathered by the researcher

#### **4.2 Demographic Characteristics**

The behavior and perception of people are to large extent influenced by their socio-demographic background. This statement reinforces the widespread contention noted by Mainoo (2011) that people emanate from and are influenced by their background. Therefore, the researcher decided to give credence to the socio-demographic features of the respondents (Hotel Managers/Manageress). These include position, sex, age, and educational background. These features were considered in order to give the researcher an insight into different managers' views on the issue of E-business adoption in Hotel Management.

Among the list on the table regarding the socio-demographic characteristics, the position of the respective manager/manageress is discussed first. Since the study concern the various manager of the Hotels all the ten (10) participants were in the managerial positions. This implies that all the information recorded is empirical and from credible source. Next to the positions of the managers was the sex of the respondents. The study identified 3 (30%) participants to be females while 7 (70%) formed the majority of the participants. This symbolizes how gender balance the industry of hotel management appears. Presumably, the assumption would have been that since hotel operation is culturally characterized by relatively more female activities than male, the sex of the respondents should have represented as such. This study therefore presents as novelty the fact that males are dominantly represented in the hotel management business.

**Table 4.1: Socio-Demographic Characteristics of Hotel Managers**

		(N)	%
<b>Position</b>	Manager	10	100.0
	Total	10	100.0
<b>Sex</b>	Female	3	30.0
	Male	7	70.0
	Total	10	100.0
<b>Age</b>	51-60 years	1	10.0
	31-40 years	4	40.0
	41-50 years	5	50.0
	Total	10	100.0
<b>Level of Education</b>	Diploma or HND	1	10.0
	PhD and above	1	10.0
	Bachelor's Degree	3	30.0
	Master's Degree	5	50.0
	Total	10	100.0

**Source: Field Survey, 2016**

The age of the respondents was the next item on the table to discuss. Over all, participants aged between 41-50 years (50%) were recorded as the majority age group of the study. Next to that were participants between 30-40 (40%) year groups and the least group in terms of age were participants between 50-60 year group. The lesson drawn from this age group is that calculatedly, the average year 55 years implies that majority of the managers might have been born before internet was introduced to this country therefore for the managers to have been abreast of the system is quite commendable. This is a clear manifestation of the fact that the managers have developed themselves to be in tune with current trends in doing business; employing the information communication technology

Education is very significant in the quest to operate hotel business. The study explored the educational standings of the participants. Impressively, 5 (50%) of the participants constituting the majority had attained master's degree. Next to that were participants with first degree (bachelors). Three 3 (30%) participants (managers/manageress) identified themselves as first-degree holders. The study recorded one (10%) Doctorate degree holder and HND holder was respectively. Arguably, this study can affirm that hotel managers are indeed knowledgeable personalities and for that matter can adopt any academic oriented activity.

**Table 4.2: Details about the Companies**

		(N)	%
<b><i>Number of Years in the Organization</i></b>	3 years or above	1	10.0
	11-13 years	1	10.0
	7-10 years	2	20.0
	4-6 years	6	60.0
	Total	10	100.0
<b><i>Best Categorization of Company</i></b>	2-star ratings and below	2	20.0
	4-star ratings	3	30.0
	3-star ratings	5	50.0
	Total	10	100.0
<b><i>Category of Organization In Standing</i></b>	international/multinational	2	20.0
	local	8	80.0
	Total	10	100.0
<b><i>Years of Operation In Ghana</i></b>	below 3 years	1	10.0
	7-9 years	2	20.0
	10-12 years	2	20.0
	4-6 years	5	50.0
	Total	10	100.0
<b><i>E-Business Usage in Operations</i></b>	yes	10	100.0
	Total	10	100.0
<b><i>Years of E-Business Usage</i></b>	1-3 years	4	40.0
	4-6 years	6	60.0
	Total	10	100.0

Source: field data, 2016

Details of the various hotels selected to conduct this study is highlighted in this section. To begin with, the numbers of years respondents have worked in their respective hotels were explored and the ensuing statistics were unraveled. One manager disclosed having worked with the hotel for three years and between 11-13 years respectively. Besides that, 2 (40%) participants indicated between 7-10 years as their working experience. Majority of 6 (60%) indicated between 4-6 years as their working experience. This is enough premises to conclude that the managers who constituted the sample for this study was experienced and well versed in the field.

To unearth the respective categories the hotels belonged as defined in chapter three, the stars according to which hotels are ranked was explored. The study recorded two (2-star) hotels, three (4-star) hotels and five (3-star) rating hotels constituting the entire sample of the study. In a related development, 8 (80%) of the hotels were identified as local hotels while (2) were internationally acclaimed hotels.

The years of operation by the hotels as indicated by respondents are presented in this section. As one (1) and five (5) declared to have operated below 3 and between 4-6 years respectively, two participants each declared to have worked between (7-9 years) and (10-12 years) respectively. This presupposes that the hotels have being in existence for a respectable number of years. Convincingly, all the ten (10/ 100%) respondents indicated that they have integrated E-business packages into their activities. Conclusively, 4 (40%) participants affirmed that e-business package was introduced between 1-3 years in their operations while the remaining 6 (60%) intimated that the product had being part of their operations between 4-6 years consistently.

### 4.3 The Types of Electronic Business Applications among Ghanaian Hotels

**Table 4.3: The type of e-business application adopted**

	<b>Not Applicable</b>	<b>Low</b>	<b>Fairly High</b>	<b>High</b>	<b>Highly Important</b>
	<b>N (%)</b>	<b>N (%)</b>	<b>N (%)</b>	<b>N (%)</b>	<b>N (%)</b>
<i>Instant Messaging</i>	3 30.0	2 20.0	3 30.0	2 20.0	0 0.0
<i>Email Fax</i>	0 0.0	2 20.0	4 40.0	3 30.0	1 10.0
<i>Telephone</i>	0 0.0	1 10.0	4 40.0	4 40.0	1 10.0
<i>Voice Over Internet Protocol</i>	1 10.0	3 30.0	4 40.0	2 20.0	0 0.0

Source: field data, 2016

The world of business is a dynamic environment where people are making innovations and amending archaic methods of service delivery either to come up as market leaders or remain at their peak of performance. The hospitality industry in Ghana and hotels specifically were studied to identify the specific electronic business applications they adopt in their operations.

#### **4.3.1 Use of Instant Messaging in Ghanaian Hotels**

The researcher begun by investigating if the hotels make use of instant messaging facilities in Ghana. It was identified that 30% of the hotels being studied did not deem instant messaging services as applicable, the use in 20% of the hotels was low with another 30% having a fairly high use of instants messaging services and 20% of the hotels in Ghana had a high use of the instant messaging services as part of their e-communication packages. The use rate of instant messaging systems in Ghana is not widespread as at the time of the study.

#### **4.3.2 The Use of Email Fax by Ghanaian Hotels**

The researcher proceeded by trying to find out the extent to which Ghana hotels make use of email fax. It was noted that none of the hotels said this service was not applicable to the works they do and 2, that is 20% of the hotels make a low use of the service. Another 4 (40%) of the hotels have a fairly high usage rate for the email fax as part of their electronic communication channels. With 3 of the selected hotels constituting 30% of the hotels under study having a high rate of use when it comes to the use of Email Fax services. To 10% of the hotels being studied, email fax facilities as highly important to their electronic communication system. E-mail fax services have as much as 80% high essence to hotels in Ghana as a means of electronic communication.

#### **4.3.3 The Use of Telephone by Ghanaian Hotels**

According to what was revealed in this study, one of the most widely used e-business applications by Ghanaian hotels is the telephone. It has as much as 40% of the hotels having a fairly high usage rate, 30% of the hotels also having high usage rate and 10% of the hotels rating telephone as highly important to the business they do. Telephone thus has a high adoption rate among the Ghanaian hotels as an e-business communication package.

#### **4.3.4 The Use of Voice over Internet Protocol by Ghanaian Hotels**

The Voice over Internet Protocol also known as Internet Telephony is one of the most recent means of electronic communication. It has come to either augment the traditional telephone system or even in some cases replace it. This research on Ghanaian hotels found that while 10% of the hotels found this service not applicable, 30% of them have a low usage of it. There were 40% of the hotel managers who responded that even though their hotels make use of this medium or application of e-communication, the use rate is only fairly high while another 40% of the hotels have a high use rate of Voice over Internet Protocol system of communication. There was actually no Ghanaian hotel from this study having a highly important view of this medium of electronic communication.

In all, even though the use rate varies from application to application and among hotels, majority of hotels have increasingly adopted innovative technologies to manage and market their services online as was found by Gibbs et al (2002).

**Table 4.4: The Effectiveness of the type of Communication used**

	Frequency	Percent
Affordable	1	10.0
Prompt Response	2	20.0
Easy To Use	2	20.0
Reliable	5	50.0
Total	10	100.0

Source: field data, 2016

The researcher proceeded to identify the concerns these hotel managers encounter in the implementation of E-Business in their work. Half (50%) of the hotels deeming E-business as part of their work as being very reliable. It is suggestive that half of the hotels studied hold the implementation and application of E-business in their work has amounted to making their services more reliable and efficient. In terms of its affordability, only 10% of the hotels being studied thought E-business Application in their work was affordable. Also, 20% of the hotel managers of the hotels being studied said that the prompt response rate it offers them was great for their work and dealing with their clients. Another 20% reported that E-business applications were easy to use in their business. Over the last two decades, many corporations to improve operational efficiency, profitability, and to strengthen their competitive position globally according to Andreau et al., (2010) have adopted electronic business as was supported by the reasons given for e-business adoption in this study.

#### 4.4 Concerns of Hotels in Implementation and Application of E-Business in their Work

**Table 4.5: Perceptions on the Barriers of E-businessE-business Adoption by Hotels**

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>N (%)</b>	<b>N %</b>	<b>N %</b>	<b>N %</b>	<b>N %</b>
Low level of technology usage within the hospitality industry	-	1 10.0	3 30.0	3 30.0	3 30.0
Low level of literacy among hotel owners	-	1 10.0	3 30.0	4 40.0	2 20.0
Inadequate technical expertise to develop well efficient and operational website	-	1 10.0	3 30.0	4 40.0	2 20.0
Lack of online payment system	-	-	2 20.0	5 50.0	3 30.0
Minimal government support	1 10.0	3 30.0	2 20.0	3 30.0	1 10.0
Unawareness of the benefits magnitude of E-business adoption	-	1 10.0	3 30.0	4 40.0	2 20.0
Inadequate laidout tele communication infrastructures like fibre optic cables	1 10.0	1 10.0	3 30.0	4 40.0	1 10.0
High cost of accessing internet connectivity	-	2 20.0	4 40.0	2 20.0	2 20.0
High cost of obtaining and maintaining website	-	-	1 10.0	7 70.0	2 20.0
Unpopularity of online business transactions	-	-	3 30.0	4 40.0	3 30.0
Inadequate legal, regulatory as well as enforcement systems in the telecommunication industry	-	1 10.0	3 30.0	6 60.0	-
Data security ( fear of exposing secret information to people	-	1 10.0	1 10.0	7 70.0	1 10.0

Source: field data, 2016

Here, the study focused on identifying the perceptions of the hotel managers on the barriers E-Business adoption by hotels in Ghana. The variables used to investigate this phenomenon includes amongst other ones the low level of technology use in the hospitality in Ghana, the low level of literacy among hotel owners, inadequate

technical expertise to develop efficient and operational websites, lack of online payment systems in Ghana, minimal government support, lack of awareness of the benefits of integrating E-business into hospitality industry operations and the high cost of accessing internet connectivity. The subsequent paragraphs present a detailed observations made on the above stated concerns of barriers in E-business adoption and more.

#### **4.4.1 Low Level of Technology Usage within the Hospitality Industry**

The adoption of E-business requires certain basic frameworks to be able to operate with ease. It was however identified that 10% of the hotels disagreed that technological inadequacy in the hospitality industry is one of the barriers to the adoption of E-Business in the industry. Thirty percent (30%) of the hotel managers who were studied were neutral on whether they could refer to the low level of technology within the hospitality industry as one of the major barriers to the adoption of E-business. It was however noted that majority (60%) of the hotels said that one of the major barriers to E-business adoption in their business was the low level of technology usage which characterized the hospitality industry within the nation.

#### **4.4.2 Low Level of Literacy among Hotel Owners**

After the issue of lack of technology, the next factor that was considered for examination as a possible barrier was the possibility of low level of literacy among hotel owners. Since the use of E-business requires the ability to adequately read and efficiently comprehend what is read, it is expected that illiterates would find it difficult to adopt such services that would be difficult for them to use.

It was identified that only 10% of the hotel managers studied disagreed that level of literacy could not be a barrier to the adoption of E-business by Ghanaian hotels. Even

though there were 30% of the managers who were neutral on this, 40% and 20% of the managers agreed and strongly agreed respectively that indeed one major obstacle to the adoption of E-business by Ghanaian hotels is the large number of illiterate hotel managers that operate hotels within the country.

#### **4.4.3 Inadequate Technical Expertise to Develop Well Efficient and Operational Website**

To use such E-Business services as instant messaging, there is the need to have the technical expertise to develop well efficient and active website on which the system would run. In response to this, it was observed that 60% of the managers of the hotels under study agreed that the technical acumen needed to develop and operate an efficient website for their hotels was lacking. This they said serve as a barrier to the adoption of E-business services that would make use of website platforms to operate as was affirmed by Longenecker et al. (2011). There were 10% and 30% of the respondents who disagreed and neutral respectively on the issue of inadequate technical expertise to develop and operate well efficient and operational website as a challenge to their adoption of E-business facilities in business. There is thus a majority of the hotels studied who believe that with the needed technical expertise for the development and operation of well efficient websites, they would adopt E-Business services in the operation of their hotels.

#### **4.4.4 Lack of On-line Payment System**

In addition to the barriers identified earlier, the respondents were asked to respond to the aspect of the questionnaire that sought to find out if the lack of online payment system could be named as one of the barriers to the adoption of E-Business methods by Ghanaian hotels. It was noted that none of the hotel managers were in any form of

disagreement to this. Only 20% of the respondents were neutral to this factor with a whole 80% of the managers agreeing that indeed the situation where there are no avenues for online payment services is a major barrier to the adoption of e-business services by Ghanaian hotels and the hospitality industry at large. Ghana is still considered one of the world's less digitized countries with a low percentage of its population that actively conduct business online. As of 2011, about 2 million out of its estimated 24 million populations were active internet users representing 8.4 percent (ITU, 2012). ITU (2012) thus buttresses this finding.

#### **4.4.5 Minimal or Inadequate Government Support**

The study further found that 10% of the respondents strongly disagreed that minimal support from government is one of the reasons why hotels in Ghana find it difficult to adopt e-business services and 30% of the hotel managers were also in disagreement to this assertion; making a 40% of the hotel managers being in disagreement to the idea that lack of government support was one of the barriers to the adoption of e-business applications and services. There were 40% of the hotel managers who were also of the perception that lack of government support in ways that would make e-business adoption possible was one of the reasons why most hotels in Ghana cannot adopt the use of e-business services in their business operations while the remaining 20% of the hotel managers were neutral on this issue. There was therefore no strong case for minimal government support as one of the barriers to the adoption of e-business services by Ghanaian.

#### **4.4.6 Lack of Awareness of the Benefits of E-Business Adoption**

It was identified that only 10% of the hotel managers studied said that ignorance about the benefits of adopting e-business solutions by hotels could not be regarded as a barrier to the adoption of e-business services by Ghanaian hotels. Even though 30% of the hotel operators were neutral on this issue, 40% and 20% agreed and strongly agreed respectively to this issue that the unawareness of businesses of the possible advantages that accrue to organizations which adopt e-business services is a barrier to the adoption of e-business services by Ghanaian hotels. In all, even though there was 10% disagreement to the assertion, the 60% of respondents who affirm the notion makes the point that indeed ignorance of the potential benefits of e-business adoption is a barrier to the adoption of e-business by Ghanaian hotels.

#### **4.4.7 Inadequate Laid-Out Telecommunication Infrastructures Like Fibre Optic Cables**

At this section the focus was on the influence of inadequate laid-out telecommunication infrastructures like fiber optic cables on the adoption of e-business services in Ghana. The researcher found out that, 10% of the hotel managers strongly disagreed to this while another 10% also disagreed. There were 3(30%) of the respondents who were uncertain of whether inadequate laid down telecommunication systems such as fibre-optic cables were a barrier to the adoption of e-business services within the hotel industry in Ghana or not. Despite these, 50% of the managers said that most hotels in Ghana do not adopt e-business services because of the inadequate laid-out telecommunication infrastructure such as fibre-optic cables in Ghana. Hotels would have adopted more e-business applications if the telecommunication infrastructure such as fibre-optic cables were adequately laid out in the country. In confirmation, Molla and Licker (2005) state that developing

countries' successful adoption of e-business strategy in an organization depends on its perceived e-readiness in e-business, managerial, organizational, and environmental contexts such as presence of necessary infrastructure needed to make e-business implementation easy and efficient.

#### **4.4.8 High Cost in Accessing Internet Connectivity, Obtaining and Maintaining a Website and the Unpopularity of Online Business Transactions in Ghana**

Out of the total number of hotel managers (10) being studied, none of them had a strong disagreement that high cost in accessing internet connectivity was a barrier to adopting e-business applications and services in the hotel industry in Ghana. It was however identified that 20% and 40% of the hotel managers disagreed and were neutral respectively to the idea that exorbitant cost of accessing internet connectivity was barrier to hotels adopting e-business solutions. There was 40% agreement to this indicating a general moderate reason to believe that unreasonably high cost of accessing internet connectivity serves as a barrier to the adoption of e-business services by Ghanaian hotels.

Also, there was no disagreement of any sort to the idea that expensive cost of obtaining and running a website puts hotels away from using e-business adopting e-business applications, especially the ones dependent on website platforms to operate. Ten percent (10%) of the hotel managers were neutral but 70% agreed and the remaining 20% strongly agreed that high cost of obtaining and running an active website puts most hotels in Ghana away from adopting e-business applications and platforms in their business operations.

In addition, 70% of the hotel managers reported that it is difficult to adopt electronic business packages in the hotel industry because of the unpopularity of online

business transaction in Ghana. There was no hotel manager who disagreed to this with only 30% being neutral. Even though much of the literature focused on the benefits that come with the use of e-business (Zhu and Kraemer, 2003; Gibbs et al., 2002; Wu et. al. 2003; Wu and Chang, 2006; Patterson et. al., 2003; Porter, 2001) and there has been no focus on the cost implications of its adoption. This study thus contributed to filling that gap by identifying that most of the e-business packages come at high costs that deter local businesses from using them. It however debunks to a large extent the only literature on e-business adoption and cost implication by and Porter (2001) who stated that e-business platforms helps to minimize business operational costs.

#### **4.4.9 Inadequate Legal, Regulatory as Well as Enforcement Systems in the Telecommunication Industry**

Business transaction at large is vulnerable to fraud and suffering from industry players who do not operate ethically if there are no legal systems that protect the disadvantaged or maltreated parties. It was thus not surprising when the study found that 60% of the respondents agreed that Inadequate legal, regulatory as well as enforcement systems in the telecommunication industry is a major reason why Ghanaian hotel owners do not adopt electronic business services. This may be due to the fear of being bullied by internet and electronic frauds. Only 10% of the respondents disagreed to this issue while 30% of them were neutral.

#### **4.4.10 Data Security or Fear of Exposing Secret Information to People**

Most business have the fear of losing the control of their confidential business information. This fear according to this study is heightened by the use of electronic business applications as was agreed by 80% of the respondents. These hotel

managers were of the opinion that businesses are scared to expose their secret information or data to people when they adopt electronic business facilities and platforms. Even though 10% and 10% disagreed and were neutral respectively, their percentage was infinitesimal when compared to the 70% who agreed that data security as a concern is a major barrier to the adoption of electronic business services. This affirms what earlier scholars like Braun (2004), Hollick (2003) pointed out that issues of trust on security of online information is a barrier to e-business adoption by many organizations.

#### **4.5 Benefits of E-Business Adoption among Ghanaian hotels**

This study sought to highlight the benefits so derived from e-business as a modern and contemporary platform where organizations exploit to gain more clients and increase their profit margin. Arguably, in an effort to unearth the notion that e-business reduces cost of business operation, 4 (40%) of the disagreed to the notion, 3 (30%) remained neutral and 3 (30%) agreed to this notion. Holistically, with recourse to the statistics presented this study refutes the fact that, e-business reduce cost of business operation. This finding of this study defies the submission of (Zhu and Kraemer, 2003; Gibbs et al., 2002; Wu et. al. 2003; Wu and Chang, 2006; Patterson et. al., 2003; Porter, 2001) who argue that e-business consequently reduces the cost of doing business.

For fast and exchange of documents and information in hotel management, 8 (80%) of the respondents agreed that e-business products help facilitate such administrative activities in the hotel management. One respondent each disagreed to this notion and remained neutral respectively. Jeffcoate et al. (2002) are relevant in this context as

they submit that e-business has become the cheapest way for the hospitality industry in general to access the global marketplace with less stress.

Improvement of customer service is yet another dimension of e-business, which the study sought to explore in detail because of its relevance to the hospitality industry. Improving the service rendered to customers go a long way to market the organization to prospective clients. As part of the numerous benefits derived from e-business, 6 (60%) of the respondents reinforced that indeed integrating e-business packages into the hospitality business indeed improve customer service. Surprisingly, 2 (20%) of the respondents disagreed to this notion while another 20 percent also were neutral to this notion respectively. Gibbs et al. (2002), submission reinforce the finding of this study indicating that integrating e-business models with the administration system of the hotel lead to the increase in general productivity. This study therefore authoritatively asserts that improving customer service really increases the productivity level of the company.

Provision of satisfying business experience to customers as a benefit was identified by 7 (70%) as part of the numerous benefits derived from e-business products integrated into the hospitality industry. Not only is that but the availability of products/services to customers also another benefit derived from e-business. Customers' benefits are not only limited to the two mentioned products but improvement of managers' customers' accessibility. Lastly, the benefits customers derive as a result of e-business implementation by hotel managers includes easy linkage to hotels hence customers are advised to seize such opportunities in their bid to search for lodging place.

Aside the benefits derived by customers, managers of hotels get better access to information through e-business products implementation. Managers' accessibility to

information facilitates detailed planning and introduction of customer-tailored measures to ensure good customer service, which will in turn paint a good picture about the organization. This, in the view of the managers, was also relevant as 8 (80%) of the participants reiterated that e-business provides managers better access to information. On the contrary, 2 (20%) of the participants were undecided as they remained neutral to this notion. This submission is consistent with Ramanathan et al. (2012), in their submission that E-business facilitates speedy and easy collection of data and dissemination of information either from a website or through electronic mails.

Scholars argue that e-business support strategic decisions. Firms often view e-commerce as an additional channel for doing business, as a means of reducing costs, as a vehicle for improving operational performance, or as a completely new platform for doing business with great prospects for achieving these gains (Gibbs et al., 2002). Participants therefore were in conformity with this notion. Majority of the participants agreed to this principle as a forward march to increasing productivity as 6 (60%) of the participants agreed to this principle. Conversely, 4 (40%) of the participants were undecided.

E-business according to this study support cooperative partnership in the hospitality industry and saves time as well. Experts in cooperate studies affirm that the use of e-business adds a competitive advantage to the organization thereby enhancing the corporate image of the organization. Barau et al. (2001) argue that, the implementation of e-business products in the hospitality industry particularly, website presents products and services of the hotel to the doorstep of the customer.

**Table 4.6 View about the benefits of E-business adoption by Hotels**

Variables	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	N (%)	N (%)	N (%)	N (%)	N (%)
<b>Reduce cost of business operation</b>	1 (10.0)	3 (30.0)	3 (30.0)	2 (20.0)	1 (10.0)
<b>Easy and fast exchange of documents and information</b>	-	1 (10.0)	1 (10.0)	7 (70.0)	1 (10.0)
<b>Improve customer service</b>	-	2 (20.0)	2 (20.0)	5 (50.0)	1 (10.0)
<b>Provide customers with more satisfying business experience</b>	-	1 10.0	2 20.0	6 60.0	1 10.0
<b>Increase the availability of products/services to customers</b>	-	-	3 30.0	4 40.0	3 30.0
<b>Improve accessibility to more customers</b>	-	-	2 20.0	5 50.0	3 30.0
<b>Support easy linkages with customers</b>	-	-	3 30.0	5 50.0	2 20.0
<b>Provides manager better access to information</b>	-	-	2 20.0	6 60.0	2 20.0
<b>Support strategic decisions of managers</b>	-	-	4 40.0	4 40.0	2 20.0
<b>Support cooperative partnership in the industry</b>	-	-	3 30.0	5 50.0	2 20.0
<b>Saves time</b>	-	1 10.0	4 40.0	4 40.0	1 10.0

Source: field data, 2016

#### 4.5.1 Managements' Preference of E-Business Products

Despite the long list of e-business products available, participants at their own discretion were required to rate the various specific functions derived from the packages. Making reservation online was ranked the topmost benefit managers derive from the implementation of e-business products. This implies that e-business products designed to facilitate customers' easy and speedy access to order hotel rooms ahead of time is very useful to hotel managers. Secondly, the process of receiving payment online according to managers has made their operations very effective hence; they ranked this e-business product the second most important feature. Subsequently, the

e-business package which makes managers' quest to advertise their product and services online very easy and fast. Communication is a fundamental tool both in formal and informal settings. Communication in the hospitality industry plays a major role considering the human factor in the hotel management. Participants rated communication with customers and partners via email as the fourth most useful function embedded in the e-business platform. Creation of a website employing the e-business platform according to the participants is somewhat useful and therefore was rated sixth on the table. The remaining functions; integrating supply chain management in hotel management, acquiring fundamentals of ICT using e-business platform, subscribing to the social networks were considered the next useful derivatives of the e-business platform in hotel management.

**Table 4.7: Prioritizing E-business Products in Hotel Management**

	<b>Score</b>	<b>Rank</b>
Make Reservation Online	34	1 <sup>st</sup>
Receive Payment Online	43	2 <sup>nd</sup>
Advertise Product and Services Online	49	3 <sup>rd</sup>
Communicate with Customers and Partners Via Email	50	4 <sup>th</sup>
Create a Website	50	5 <sup>th</sup>
Integrate Supply Chain Management in Your System	53	6 <sup>th</sup>
Fundamental ICT Training	59	7 <sup>th</sup>
Be Present on Social Network Like Twitter, Facebook, Skype, You Tube to Attract Customers	65	8 <sup>th</sup>
Get a Computer	74	9 <sup>th</sup>
Get Internet Modem or Broadband	76	10 <sup>th</sup>

**Source: Field Survey, 2016**

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### **5.1 Introduction**

This section of the study addresses the findings conclusion and finally the recommendations.

#### **5.2 Summary of Major Findings**

The key findings are summarized under this section of the last chapter of the study.

##### **5.2.1 The Types of Electronic Business Applications among Ghanaian Hotels**

Ghanaian hotels that were studied showed that they made use of such e-business applications such as instant messaging, emailing and fax, telephones, voice over net internet protocol systems.

The most used e-business application is the telephone and the least from what was studied is the instant messaging and even though Voice over Internet Protocol is in use in Ghana, none of the hotels studied held its use in any high importance.

Most of the hotels studied did not have active websites as was earlier defined by the researcher

##### **5.2.2 Concerns of Hotels in Implementation and Application of E-Business in Their Work**

Here, the concerns of why e-business options are not adopted by firms is considered as well as some of the concerns associated with their adoption.

Only 10% of the hotels thought that e-business adoption was affordable, 20% held that it allows for prompt response to clients while 20% also said e-business

applications were actually easy to use. Half of the hotels studied said that e-business was a reliable way of running their business operations.

Majority (60%) of the hotels studied identified that the low level of technology usage which characterized the hospitality industry within the nation as one of the major barriers to E-business adoption.

Also, significant in the findings was that majority of the hotel managers were not literate and so adopting e-business applications posed a difficulty to them.

Further, it was found that 60% of the managers of the hotels under study agreed that the technical acumen needed to develop and operate an efficient website for their hotels was lacking serving as a barrier to e-business adoption.

About eighty percent (80%) of Ghanaian hotels and the hospitality industry at large could not adopt e-business applications because there were no avenues for online payment services.

The study could not make a strong case of whether lack of government support was also one of the barriers to the adoption of e-business applications within the hotel industry in Ghana with a split in opinions on this subject from the hotel managers studied in this research.

Further, the study found that lack of awareness of the benefits of adopting e-business and the challenge of inadequate laid out telecommunication infrastructures like fiber-optic cables is one of the barriers that accounts for lack of adoption of e-business application by over 50% of Ghanaian hotels.

The study in addition found that high cost of internet connectivity was still a reason for low patronage of e-business options by hotels though the impact of this is lower when compared to the cost of obtaining and maintaining an active website and the fact that online business transactions is relatively unpopular within the Ghanaian society.

On the challenges or barriers of e-business adoption, it was further noted that most of the organizations (60%) felt that the inadequate legal-regulatory framework and lack of enforcement systems in the telecommunication industry serves as a barrier to e-business adoption since there would be no systems for seeking redress should the need arise.

The risk associated with the security of divulging otherwise private organizational information on e-business platforms seemed unsafe for most firms and so they did not want to take the risk of integrating electronic business in their work.

### **5.2.3 Benefits of E-Business Adoption among Ghanaian Hotels**

The benefits of e-business as a modern and contemporary platform which organizations exploit to gain more clients and increase their profit margin is highlighted in brief under this section.

Holistically, with recourse to the statistics presented this study refutes the idea that, e-business reduce cost of business operation.

Amongst other salient points, it was found that 80% of hotel managers in Ghana reported that e-business adoption helps to improve fast exchange of documents and information in general in hotel management thereby promoting efficient and timely administrative work.

As part of the numerous benefits derived from e-business, 60% of the hotel managers reinforced that indeed integrating e-business packages into the hospitality business indeed improves customer service.

Provision of satisfying business experience to customers as a benefit was identified by 7 (70%) as part of the numerous benefits derived from e-business products integrated into the hospitality industry.

Adoption of e-business platforms is a major solution to the directory problems faced by hospitality industry in reaching their prospective clients or customers as was confirmed by the respondents of this study.

Also, to the hotel managers, it was revealed that e-business adoption improves information accessibility to the hotel managers.

Lastly, E-business according to this study supports cooperative partnership in the hospitality industry and saves time as well.

### **5.3 Conclusion**

The Ghanaian hotel industry is still a growing one with much more opportunities amidst all its challenges. Even though after the adoption of the traditional telephone system as an electronic business solution most hotels are taking strides in taking advantage of such platforms as instant messaging, email fax systems, and voice over internet protocols, they are faced with various concerns and challenges.

Most of the hotels cited the lack of online payment systems, high costs in obtaining and running an active website, ignorance of the benefits of e-business adoption, lack of supportive legal framework in telecommunication transactions as the non-

exhaustive set of challenges that stand between them and their prospects of e-business adoption.

This notwithstanding, those who adopted e-business platforms have been found to enjoy certain benefits. These benefits range from improving customer service and eventual customer satisfaction, improving accessibility to more customers. Also, it makes hotels managers have easy access to information and as well enhance cooperative partnership within the hospitality industry.

#### **5.4 Recommendations**

With cognizance to the findings of the study and information of best practice revealed by literature, this section of the study offers recommendations to both industries to improve practice and also for future research into the area.

The government must make available the necessary infrastructure such as adequate fibre optic cables to improve adoption of e-business applications by Ghanaian hotels

Again, hotel operators must be educated by the ministry of tourism on the up to date e-business applications, their benefits and how to best integrate them into their work.

The cost of internet connectivity must not be left at the mercies of the free market system but be regulated to ensure fair charges to consumers

Basic qualification for hotel management must be set by the tourism ministry to include basic literacy and knowledge of e-business adoption and use to break the barrier of e-business adoption and also enlighten them on the benefits of e-business adoption in their work.

Also, banks and other financial institutions must make avenues for online payment available and easily accessible while the National Commission on Civic Education offers education on the need to take advantage of online transaction systems.

The legal bodies that matter must enact requisite laws and regulations for making online transaction and information sharing safer.

To add, future studies must increase the sample size to include guest houses and the general hospitality industry.

Educational institutions must make it as a matter of policy to include in their curricular for training tourism industry, a coursework and practical experiences of e-business options and integration in business.

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## APPENDIX

# RESEARCH QUESTIONNAIRE: ASSESSING THE IMPACT OF E-BUSINESS ADOPTION AMONG THE HOSPITALITY INDUSTRY IN GHANA

The questionnaire is intended to collect information from stakeholders in the hospitality industry in Ghana to enable the researcher to assess and analyse the impact of e-business on the sector in Ghana. Every information collected will be used strictly for the purpose of completing the researcher's masters thesis and not for public consumption.

\* Required

## Background Information

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### 1. 1. Position/Role of the interviewee in the hotel

.....

### 2. 2.Sex

*Check all that apply.*

Male

Female

Other: .....

### 3. 3. Age \*

*Mark only one oval.*

Below 20 years

21 to 30 years

31 to 40 years

41 to 50 years

51 to 60 years

61 years and above

### 4. 4. Level of education \*

*Mark only one oval.*

SHS and below

Diploma or HND

Bachelor's degree

Masters degree

PhD. and above

**5. Number of years in the organization (hotel/motel or guest house) \***

*Mark only one oval.*

- 3 years or below
- 4 to 6 years
- 7 to 10 years
- 11 to 13 years
- 14 to 16 years
- 17 years and above

## **Company/ Organization**

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**6. How would you best categorize your organization \***

*Mark only one oval.*

- above 5 star ratings
- 5 star ratings
- 4 star ratings
- 3 star ratings
- 2 star and below

**7. Which of the following categories does your organization belongs to? \***

*Mark only one oval.*

- Local
- International or multinational

**8. How long have your organization operated in Ghana? \***

*Mark only one oval.*

- Below 3 years
- 4 to 6 years
- 7 to 9 years
- 10 to 12 years
- 13 to 15 years
- 16 years and above

**9. 9. How long have your organization operated in Ghana? \***

*Mark only one oval.*

- Below 3 years
- 4 to 6 years
- 7 to 9 years
- 10 to 12 years
- 13 to 15 years
- 16 years and above

**10. 10. Have your company adopted e-business in it's operations? \***

*Check all that apply.*

- Yes
- No
- Other: .....

**11. 11. How long have your company adopted e-business in it's operations? \***

*Check all that apply.*

- 1-3 years
- 4-6 years
- 7-9 years
- 10 years and above

**12. 12. Please rate the extent to which the following best explain your understanding about E-business. Scale 5-highly important, 4-high,3-fairly high, 2-low, 1-not applicable \***

*Mark only one oval per row.*

	1	2	3	4	5
Buying and selling of goods on the internet	<input type="radio"/>				
Advertising on the internet	<input type="radio"/>				
Online business transactions with customers	<input type="radio"/>				
Creating a website	<input type="radio"/>				
Internal organizational communication	<input type="radio"/>				
Other	<input type="radio"/>				

**13. 12 (a) If you selected other in question 12, please list them \***

.....

.....

.....

14. **13 Please indicate Yes or No or Not Applicable if your company has the following infrastructures which are basic requirements for e-business adoption. \***

*Mark only one oval per row.*

	Yes	No	Not Applicable
Networked Computers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Websites	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet connections	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication software	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. **14 Please rate the following on how much you communicate with your partner/customers in business. Scale 5-highly important,4-high,3-fairly high,2-low,1-not applicable \***

*Mark only one oval per row.*

	1	2	3	4	5
Instant messaging	<input type="radio"/>				
Email	<input type="radio"/>				
Fax	<input type="radio"/>				
Telephone	<input type="radio"/>				
Voice Over Internet Protocol (VOIP)	<input type="radio"/>				
Others (please specify)	<input type="radio"/>				

16. **14 (a) If you selected other in question 14, please list them \***

.....

.....

.....

.....

.....

17. **15 How effective are your communication as indicated in question 14 above \***

*Mark only one oval.*

Affordable

Prompt response

Reliable

Easy to use

Other: .....

18. **16 The following seek to find your perception about the benefits of E-business adoption by hotels. Please rate by indicating whether you strongly agree (5), agree (4), neutral (3), disagree (2), strongly disagree (1). \***

Mark only one oval per row.

	1	2	3	4	5
Reduce cost of business operation	<input type="radio"/>				
Easy and fast exchange of documents and information	<input type="radio"/>				
Improve customer service	<input type="radio"/>				
Provide customers with more satisfying business experience	<input type="radio"/>				
Increase the availability of products/services to customers	<input type="radio"/>				
improve accessibility to more customers	<input type="radio"/>				
Support easy linkages with customers	<input type="radio"/>				
Provides manager better access to information	<input type="radio"/>				
Support strategic decisions of managers	<input type="radio"/>				
Support cooperative partnership in the industry	<input type="radio"/>				
Saves time	<input type="radio"/>				

19. **17 The following questions find your perceptions on the barriers of e-business adoption by hotels. Please rate by 5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly Disagree \***

Mark only one oval per row.

	1	2	3	4	5
Low level of technology usage within the hospitality industry	<input type="radio"/>				
Low level of literacy among hotel owners	<input type="radio"/>				
Inadequate technical expertise to develop well efficient and operational website	<input type="radio"/>				
Lack of online payment system	<input type="radio"/>				
Minimal government support	<input type="radio"/>				
Unawareness of the benefits magnitude of e-business adoption	<input type="radio"/>				
Inadequate laid-out tele-communication infrastructures like fibre optic cables	<input type="radio"/>				
High cost of accessing internet connectivity	<input type="radio"/>				
High cost of obtaining and maintaining website	<input type="radio"/>				
Unpopularity of online business transactions	<input type="radio"/>				
Inadequate legal, regulatory as well as enforcement systems in the tele-communication industry	<input type="radio"/>				
Data Security (fear of exposing secret information to people)	<input type="radio"/>				
Other	<input type="radio"/>				

20. 17 (a) If you selected other in question 17, please list them \*

.....

.....

.....

.....

.....

21. 18. The following seeks your perception on how you would want to get started on implementing e-business strategy in your hotel. Choose between the numbers 1-10 in order of importance. \*

Mark only one oval per row.

	1	2	3	4	5	6	7	8	9	10
Make reservation online	<input type="radio"/>									
Receive payment online	<input type="radio"/>									
Communicate with customers and partners via email	<input type="radio"/>									
Be present on social network like twitter, facebook, skype, youtube to attract customers	<input type="radio"/>									
Get internet modem or broadband	<input type="radio"/>									
Advertise product and services online	<input type="radio"/>									
Integrate supply chain management in your system	<input type="radio"/>									
Fundamental ICT training	<input type="radio"/>									
Get a computer	<input type="radio"/>									
Create a website	<input type="radio"/>									