

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,
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THE IMPACT OF DIRECT MARKETING ON BUSINESS GROWTH IN
GHANA'S TOURISM INDUSTRY. THE MEDIATING ROLE OF SOCIAL
MEDIA ADOPTION.

By

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DECLARATION

I declare that this thesis is my own work. This work and its contents has not been published anywhere except where that material is duly acknowledged in the text. In addition, it has not been submitted for the award of a degree in another University or institution.

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ABSTRACT

Ghana's tourism industry is in a stage of stagnant growth and structurally defective which has affected the numerous anticipated growth opportunities needed to boost the country's economy. Nevertheless, academically, studies examined and addressed the constructs of direct marketing, social media adoption and growth independently and studies explaining the causal relationships among direct marketing, social media adoption and tourism growth are lacking. The study used quantitative research approach and sampled 390 respondents through quota and convenience sampling technique. Survey questionnaires were employed in the gathering of data from four destinations in Ghana. The data were analysed using structural equation model. The results of the study revealed a positive and significant relationship between direct marketing and business growth and significantly direct positive effect of direct marketing on social media adoption. In addition, there existed a significant positive effect of social media adoption on business growth. The effect of social media adoption on the relationship between direct marketing and business growth showed a significantly positive result. However, after testing for mediation, it was revealed that the mediator (social media adoption) partially mediates the relationship between direct marketing and business growth. Based on these findings, it was recommended that destination managers should make a conscious effort to build and improve upon its marketing efforts by leveraging on the various social media handles, also, destination managers should create a link between destination's website to its social media handles in order to facilitate relationship and database building and finally, the proposed model was accepted after SEM was ran.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The tourism industry has endured numerous difficulties during the past decade as a result of changes in technologies, customers need and preference and continuous competition from various angles within the service sector. Also, Walker (2010), confirmed the tourism industry as one of the fastest-growing industries globally, with it becoming a vital sector for socioeconomic progress (World Tourism, 2015; Xing and Dangerfield, 2011; UNWTO, 2015). It's contribution to the growth of national economy is significant as well as its contribution towards global economy (Xing and Dangerfield, 2011). According to Shirafkan, *et al.* (2013), a yearning to discover, to explore and to become experienced instigates people to travel. However, research shows that, the competition in the tourism industry is significant therefore, the need to comprehend the current trends in Ghana travel industry (Tyrrell and Johnston, 2007; Walker, 2010).

On the other hand, direct marketing in the past decade has been recognised as an important approach which can be used to develop and sustain strong customer relationships as well as serve as a catalyst for business growth (Reece, 2010), which makes it relevant and applicable to Ghana's tourism industry. This strategy according to Flici (2011), targets customers with tailored promotional campaigns and advertisement which help companies to get a higher return on their investments and to maximise campaign responses. Direct marketing techniques assimilate a multifaceted collection of business principles and marketing concepts which form a completely unique choice for organisations (Brondmo, 2015) making it significantly difficult process to perform if the organisation is poorly structured and hardly adopt new technology in its operations (Wu and Pearce, 2016). However, there exist numerous challenges associated

with direct marketing which extend from organisational to technical as well as managerial aspects.

Furthermore, Information Technology is used by destination managers globally to build and maintain competitiveness in the tourism sector (Podobnik, *et al.*, 2013; Dahnili, *et al.*, 2014; Harrison, 2015). Also, the changes that comes with social media adoption and the standards of the global world has activated travellers to become knowledgeable, flexible and independent in searching for reliable information about destinations (Buhalis, *et al.*, 2011; Ráthonyi, 2012). However, scholars argue that social media has a tremendous impact on travel industry (Hays, *et al.*, 2012; Lange-Faria and Elliot, 2012; Podobnik, *et al.*, 2013).

Moreover, Podobnik, *et al.* (2013) argued that, many disciplines including marketing have been affected by the emergence of Web 2.0 and further explained that Web 2.0 permit universal proliferation of social networking, which serves as a basis for social media adoption. In addition, social media tools adopted in marketing have shown an unusual and fascinating internet marketing pattern which built on spreading messages directly among users (Podobnik, *et al.*, 2013; Dahnili, *et al.*, 2014). In spite of the challenges facing the tourism industry as indicated by the report of World Travel & Tourism Ghana (WTTC- Ghana, 2015), it can be concluded that technology adoption (Wu and Pearce, 2016) is important for developing the tourism industry especially that of Ghana.

1.2 Statement of the Problem

Tourism is a very competitive sector which need innovative and direct marketing skills which ensures that people are aware of the locale's tourism offering (World Economic Forum, 2015). According to the recently released hospitality report for Ghana, tourism's contribution to the country's GDP for the year 2015 was 7.8%, this positioned the sector as the fourth high foreign exchange earner after gold, cocoa and oil (World Economic Forum, 2016). However, the

country's tourism is in a stage of stagnant growth and also structurally defective which has affected the numerous anticipated growth opportunities in the sector. Although travel arrival has improved over the previous years, the rate of growth is marginal and has been deteriorating (Africa Centre for Statistics, 2017). The year 2010 to 2011 recorded the sharp dip after which the industry has since not recovered. Notwithstanding, earnings has stayed flat and contribution to GDP also declined in marginal term over the years from 8.5% in 2008 to 7.5% in 2016 (*ibid*).

Also, it is becoming increasingly difficult for destination providers to re-evaluated its mass media based models into more direct, personal and persuading models which have the consumer in mind (Waddington and Bessozi, 2010; Van Riper, *et al.*, 2013; Rohn, 2013; Shirafkan, *et al.*, 2013) especially in the Ghanaian context. While the recognition of the shift in marketing seems to be slowly emerging, Drury (2008), admits that "the rise of social media adoption as an influential marketing channel" has caught several providers in the tourism industry off guard.

Meanwhile, in Ghana, direct marketing strategies are either limited to the "bigger companies/ brands" or completely absent in the tourism sector. Also, failure of destination managers to effectively adopt social media has affected the growth of tourism in Ghana as compared to other Africa countries especially Kenya, Senegal and South Africa in terms of tourism.

Nevertheless, research in tourism up to date have examined and addressed the constructs of technology adoption, direct marketing, and growth independently (Reece, 2010; Alizadeh and Isa, 2014; Song, *et al.*, 2014; Matikiti, 2015) while studies discussing the causal relationships among direct marketing, social media adoption and tourism growth are lacking. In order to close the gap in social media adoption in the sector, the main focus of this study is to offer a mediation approach for understanding social media adoption and examine the theoretical and empirical evidence on the causal relationships between direct marketing, business growth and social media adoption in Ghana's tourism industry.

1.3 Objectives of the Study

1.3.1 General Objective

To examine the mediating role of social media adoption in the relationship between direct marketing and business growth in Ghana's tourism industry.

1.3.2 Specific Objectives

The specific objectives of this study were:

- To determine the effect of direct marketing on business (Ghana's tourism industry) growth;
- To determine the effect of direct marketing on the adoption of social media in Ghana tourism industry;
- To determine the effect of social media adoption on business (Ghana's tourism industry) growth;
- To determine the mediating effect of social media adoption on the relationship between direct marketing and business (Ghana's tourism industry) growth.

1.4 Research Questions

In order to realize the objectives of this study, these questions have been posed;

- What is the effect of direct marketing on business growth in Ghana's tourism industry?
- What is the effects of direct marketing on social media adoption in Ghana's tourism industry?
- What is the effect of social media adoption on business growth in Ghana's tourism industry?
- To what extend does social media adoption mediates the relationship between direct marketing and business growth in Ghana's tourism industry?

1.5 Significance of the Study

A lot of researches have been conducted with respect to direct marketing impact on the tourism industry but this study offers explanation of social media adoption contribution to the sector. Due direct marketing contributes to the industry, it is expedient to study the current role of social media adoption in Ghana's tourism industry.

Also, the study would aid management of destinations in Ghana to recognise the need to adopt social media in their daily direct marketing activities. In addition, the study would help established the mediating role of social media adoption between direct marketing and business growth from customer (tourists) perspective. Furthermore, the research would bring to bear the problems facing the tourism industry in adopting social media as a tool to advertised its services. This would enable tourists appreciate the efforts of management in solving the problem.

In addition, the study would enhance the capacity and understanding of the key players in the industry to improve and invest in profitable technologies in term of marketing these attractions to achieve competitive advantage over other competing centres, attractions or destinations. Finally, the research would serve as a guide and reference to future researchers on the mediating role of social media adoption. Researchers, consultants and teachers studying on similar subject matter would find a suitable reference in this work since it is going to add up to existing literature on the subject.

1.6 Overview of Research Methodology

This study was conducted in four selected destinations/attractions in Ghana which were the top four destinations. The study used quantitative research approach and survey questionnaire were employed in the gathering of data. Quota and convenience sampling technique were used to

obtain the respondents included in the data collection period of the study. This sampling is a form of stratified sample in which samples selection within strata are normally non-random (Saunders, *et al.*, 2009).

Also, analysis of data was mainly undertaken using Statistics Analysis System (SAS) version 9.4. All the measurement scales were properly coded. Confirmatory factor analysis (CFA) and Structural equation model (SEM) were used to test the conceptual model that examined the mediator variable (social media adoption). Structural equation modelling (SEM), is a prevalent approach in social science for measuring mediating variables. The reliability and validity of the constructs in the study were equally tested.

1.7 Scope of the Study

The research focused on the impact of direct marketing on business growth in Ghana's tourism industry, with social media adoption mediating. The research studied how the adoption of social media contribute to the growth of Ghana tourism industry as compared to other direct marketing strategies. The competitive edge of social media adoption in Ghana tourism industry was studied. The study was limited to travellers of the top four attractions/ destinations ranked by Ghana Tourism Authority in terms of tourists' patronage of the country.

1.8 Limitations of the Study

The willingness and ability of respondents to provide useful and effective feedback to the survey was one of the limitations of this study since the study relied on primary data. Also, tourism industry mostly relies on seasons therefore, the researcher was obliged to work within the season in order to access the need information.

1.9 Organization of the Study

The study discussed the impact of direct marketing on business growth in Ghana tourism industry and the usefulness of social media in establishing competitive edge within the tourism industry. The study was divided into five chapters. The first chapter constituted an overview of the research which discussed the background, problem statement, objectives, research questions and significance of the study. Also overview of the study methodology, limitations, scope as well as the organization of the research were discussed in this chapter.

The second chapter focused on review of relevant and related literature available on the concepts of the study. Furthermore, this chapter served as the foundation of the development of conceptual framework and theoretical issues which underpinned the discussion of the research.

Moreover, the third chapter examined the methodology of the study. Furthermore, the fourth chapter analysed and discussed the findings of the data collected from the field. While the fifth chapter concluded the study by presenting the summary, conclusions and recommendations of the research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Companies use marketing to establish strong customer relationships and to generate value for customers in the market place (Kotler and Keller, 2012). Also, the market environment is highly volatile and competitive where the purchasing behaviour of consumers is continuously changing and unpredictable (Lovelock and Wirtz, 2012). In such a competitive market environment, direct marketing is seen as an important technique to improve promotional

campaigns as well as nurture strong customer relationships (Martínez-López and Casillas, 2008). Furthermore, in this chapter, literature review on the concept of direct marketing, business growth and social media adoption have been discussed as well as the conceptual framework and some theories underpinning this study.

2.2 The Concept of Direct Marketing

Direct marketing is a way of advertising that precisely target business or individuals to enhance the profile of a company, generate new business or to make a sale to existing customers (Reece, 2010). Research has shown that the entire idea of direct marketing is to convey personalised message swiftly to specific customers in order for them to respond directly to the company's offering (Tapp, *et al.*, 2008; Joshi, 2010; Daunweh, 2010; Direct Marketing Association, 2011; Bronbmo, 2015). The term direct marketing has been trace long after the Montgomery War's times. It started as a mail-order discipline nearly two decades ago (Reece, 2010). This contradict with the claims made by several magazines and journals which describe direct marketing as a novel discipline (Tapp, *et al.*, 2008). According to Brondmo (2015), the growth of direct marketing from direct mail order initially started during the 1970s in the USA. The account shows that in the past two decades, direct marketing has experienced enormous development, making it one of the fastest-growing marketing strategy worldwide (Joshi, 2010; Daunweh, 2010; Direct Marketing Association, 2011; Bronbmo, 2015). This is mainly due to the benefits associated with direct marketing to both sellers and buyers (Kolter and Armstrong, 2008).

Also, scholars argue that direct marketing is a technique, not an industry, and further explained that it is a technique for selling products and services, as well as raising charitable funds, through personalised communications among targeted audiences (Joshi, 2010; Daunweh, 2010; Direct Marketing Association, 2011; Bronbmo, 2015). The Direct Marketing

Association (DMA) (2011), defines direct marketing as “an interactive process of addressable communication that uses one or more advertising media to effect, at any location, a measurable sale, lead, retail purchase, or charitable donation, with this activity analysed on a database for the development of ongoing mutually beneficial relationships between marketers and customers, prospects, or donors”. DMA’s definition synthesises the concept of direct marketing, making it the focus of the discussion in this section. Besides, it is difficult to come across a company which does not apply direct marketing in one way or the another. Direct marketing strategy is used as the basis for multichannel communications that provide targeted, measurable and personal relationships among firms and its customers (Direct Marketing Association, 2011) which capitalise on the adaptation of new technology (such as social media).

2.3 Factors Contributing to the Growth of Direct Marketing

Customer database has been the foundation in developing and testing direct marketing strategies (Andrew, *et al.*, 2007). Hence, in communicating a direct marketing campaign, it requires the integration of an actionable segments in the pre- and post-campaign analytics to measure the result (Brondmo, 2015). There are two strategies in which direct marketing can be approached (Reece, 2010): firstly, through a one-step tactic where the media is directly used to solicit orders. The one-step approach is normally to screen, qualify or interest potential customer. Secondly, the two-step tactic uses multiple efforts to produce a response (*ibid*). Also, there are several factors which had facilitated the growth of direct marketing in various industries, these factors include:

The increase of consumer credit cards over the years (Reece, 2010); the creation of opportunities through list development and catalogs/sweepstakes have influence some organisation to adopt direct marketing strategy (Brondmo, 2015); the changing structure of the market and the society have changed the way marketing is done over the years. Additionally, the increase of household income, money-rich/time poor concept and customers need for

convenience had contributed a lot to how businesses are conducted recently (Brondmo, 2015). All these factors have contributed to the growth of direct marketing.

2.4 Common Channel of Direct Marketing

The most effective direct marketing occurs once there is a clear connection to help communicate with the target audiences (Andrew, *et al.*, 2007; Brondmo, 2015). However, businesses may adapt several ways to leverage direct marketing as its relate with and deliver its products and services to its customers (Reece, 2010; DMA, 2011). The ways used in directly marketing to customers include spending direct mail/email, telemarketing, text (SMS) marketing, direct-response advertising, voicemail marketing, mobility marketing, catalogs, promotional letters, tradeshow, seminars, internet marketing, etc. (Andrew, *et al.*, 2007; Reece, 2010; Brondmo, 2015). Practitioners sometimes refers to direct marketing as direct response marketing (Reece, 2010).

2.4.1 Email Marketing

Email marketing is an effective direct marketing tool that is widely used and accepted by both businesses and consumers (Brondmo, 2015). Also, the ability to target individual messages combined with decreasing costs of delivery make email marketing very cost effective (Reece, 2010; DMA, 2011). This medium must be integrated with all marketing and communication programs across all channels in order to ensure an effective Integrated Marketing Communication (IMC) campaign. According to Reece (2010), email continues to be effective and serve as a strong means to interact with customers by offering discounts, promotional offers, encouraging participation and registration to attend company events as well as make a purchase.

2.4.2 Telemarketing

Telemarketing is another means used in direct marketing, where businesses contact customers through phone to sell its products or services. Reece (2010) and DMA (2011), confirmed that it is personal, interactive and capable of generating new customers in larger volumes as well serving as a suitable tool for following-up on direct marketing campaign. Additionally, for telemarketing to be successful, it requires using correct and well researched customer data to match customer profiles (Tapp, *et al.*, 2008). Types of telemarketing includes cold calls, warm calls, follow-up calls, fundraising calls and database clean-up.

2.4.3 Text (SMS) Marketing

Businesses reach individual customers by sending text messages through this strategy. Organizations uses short messages services (SMS) to deliver customers sales alerts, appointment reminders, links to website updates or personalised messaging (Reece, 2010). By using text (SMS) marketing, businesses are able to reach different customers with timesensitive offers and direct messages to large number of people at a low cost. Also, according to Brondmo (2015), many people read and monitor their text messages closely, this makes it difficult for the company's messages to be ignored as compared to messages sent via direct mail or email. (Stone and Jacobs, 2008; Reece, 2010).

2.5 Direct Marketing Process

To create a direct marketing process, there are 12 steps the organisation should consider. Every step gives information that enhances and directs marketing effort. Also, knowing competitors, the marketing environment and the products or services are vital information that guide direct marketing campaigns (Reece, 2010). These steps are discussed below:

2.5.1 Customer Analysis

The profile of consumer's needs, motivation and buying is significant at the initial stage. This can be achieved when the company undertakes a research to comprehend the behaviour of the market (customers) in order to see the value in making any offer to its consumers (Andrew, *et al.*, 2007).

2.5.2 Environmental Analysis

At this point, the company needs to proactively predict the internal needs of the business and also, identify the next move of competitors as well as competitions that could potentially emerge in the future (Johnson, *et al.*, 2008).

2.5.3 Competitive Analysis

Discovering how to improve upon the services provided by competitors also aid direct marketing campaign in most cases (Percy, 2008). The reason is that, it enables direct marketing campaign to be channelled to meets the needs of target audience better than competitors.

2.5.4 Data Mining and Profiling

This stage requires the development of customer/ potential customer database (Andrew, *et al.*, 2007). This database then enables the company to extract and analyse any information as possible to get the best possible moves of the firm's audience.

2.5.5 Targeting

Targeting means selecting one or more segment and approaching each one with a specially designed marketing mix (Schiffman and Kanuk, 2010). It further talks about refining database to figure out best prospects (Andrew, *et al.*, 2007). This is critical in the development of direct marketing campaign.

2.5.6 Positioning and Differentiating

Position according to Schiffman and Kanuk (2010), is defined as the process by which a company create a distinct image and identity for its product, service or brand in consumers' minds. Andrew, *et al.* (2007) suggested that, a unique selling proposition can be developed by a firm in three ways, that is:

- i. By recognising the features of product and its characteristics makes it unique from competitor's own
- ii. educating the customers about the benefits the product offers; and iii. finally making claims by keeping the promised benefits associated with the product/service.

2.5.7 Unique Value Proposition

At this stage, the message is shaped to convey an implicit promise of a perceived value (Schiffman and Kanuk, 2010). For example, FedEx tells customers, "When it absolutely, positively has to get there overnight." UPS counters with, "What can Brown do for you today?" UPS uses the word "you" to personalize the message further.

2.5.8 Creative Marketing Communications

This explains how a firm shape the message it has created. The message at this stage contains each component of the direct mail campaign, from the tone to the typestyle to the call to action (Andrew, *et al.*, 2007). For instance, Gatorade, one of the first sports drinks that promised to replenish lost electrolytes, has continued to be at the forefront of its niche in the beverage market, thanks to its memorable television commercials, colourful logo, and lucrative endorsements at almost every college football game in US (Andrew, *et al.*, 2007).

2.5.9 Direct Marketing Channels

At this stage, the organisation figures out how to carry its messages to its audience (Brondmo, 2015). Is it going to be by mail, phone call, text, voicemail, newsletter, etc. that is choosing a direct marketing channel that will get a firm's products/service to its customers is key at this level (Andrew, *et al.*, 2007).

2.5.10 Fulfilment and Service

Dealing of the promise effectively and efficiently is of great importance at this stage. The organisation should make sure its fulfils and ensures that service operations run smoothly and conveniently for buyers/customers (Andrew, *et al.*, 2007).

2.5.11 Measurement and Assessment

The company tracks the results to ensure positive feedback at this level. According to Andrew, *et al.* (2007), business campaign only works if it cost is effective and closes existing barrier between its prospects and the business. This help the company to know whether the products/services were well received and may possibly undertake a survey (Andrew, *et al.*, 2007) to ensure efficiency and effectiveness of it direct marketing campaign.

2.5.12 Adaptation and Innovation

Revise, refine, relaunch is of significate in the final stage. For instance, if the results of the campaign are not favourable, it can be revised, refine or relaunch until it meets the standard of its targets (Andrew, *et al.*, 2007).

2.6 Evaluation of Direct Marketing Campaigns

One of the marketing campaigns that can be carefully monitored by any company is its direct marketing campaigns (Brondmo, 2015), which requires careful planning and analysis. While direct marketing can be a powerful tool for growing businesses (Andrew, *et al.*, 2007), it must

be properly considered and supported by good information and recognised marketing principles and practices. These are the step to ensure an effective direct marketing evaluation.

2.6.1 Use Channels to Track Conversation for each Campaign Lunched

There is the need to set-up and track the results of any direct marketing campaign rolled by any company (Direct Marketing Association, 2011). Start by including a unique code or any identifier on each campaign, this enable the company/marketer to clearly distinguish each campaign from the lot (Brondmo, 2015). For instance, if a customer shops online, include instructions to enter the code in the process of the transactions to trace every action of all the target audiences of the company.

2.6.2 Measure Response Rate

If proper set-up and education is undertaken by the company, it makes it easy to measure the response rate of every direct marketing campaign at any given time. This level of the evaluation process requires key monitoring of the campaign to be more effective and efficient in measuring the outcome (Brondmo, 2015).

2.6.3 Calculate Cost of the Campaign

The cost per campaign and per acquisition is a significant aspect in evaluating the success of a campaign (Reece, 2010). The per cost for instance, for a mail should include both direct cost and indirect cost. Then divide the total cost by the number of mails in the campaign to get the cost per each mail (Reece, 2010; Brondmo, 2015). On the other hand, cost per acquisition also referred to as pay per acquisition or cost per action, is basically an online advertising pricing model whereby the promoter pays for a definite action for instance click, sale or submit a form etc. (Brondmo, 2015), this implies that each customer mailing brings in a cost. This total cost is divided by the response rate to get the cost per acquisition.

2.6.4 Analyses Results

An effective and efficient direct marketing campaign maximizes response rates (Andrew, *et al.*, 2007) and minimizes cost (Brondmo, 2015). In addition to reviewing the cost per campaign and acquisition cost of the current direct campaign, compare cost assessment and individual feature outcome to previous or target of the campaign. Afterwards, the promoter needs to conduct a thorough analysis to see whether, the new campaign affected the responses of the target audiences (Brondmo, 2015). Finally, external factors such as the geographic size, time and business competition should be considered to complete the evaluation process (Reece, 2010).

2.7 The Concept of Business Growth

Growth is commonly used corporate strategy according to Leković and Marić (2015), which means increasing sales, assets and net profits. Also, an industry growth can be studied from the subjective or objective point of view. Objective view point typically consists of comparing the performance of the industry with hard financial measures, while the subjective can be linked to more personal issues. Similarly, business growth can be comprehended through several diverse indicators. These indicators include turnover of sales, employees, increase in assets and among others (Manolova, *et al.*, 2007). Similarly, growth and innovation according to Reece (2010), are among the most important factors for a sustainable firms' success. However, success cannot be achieved without well-planned promotional strategies and leveraging on new technology. These things allow firms to maintain and attract customers thus improve growth due to expanded client base (Percy, 2008). Additionally, the progress in the service sector is essential for any organizations to concentrate on promoting its services to aid its existence in the dynamics present in the business environment (Kotler and Keller, 2012).

2.8 Theories on Business Growth

Firm growth is one of the most extensively researched topics in economic literature (Lotti, *et al.*, 2009; Halvarsson, 2013; Leković and Marić, 2015). Numerous arguments suggest the importance of firm's growth (Halvarsson, 2013). Leković and Marić (2015), argued that its influence on firm survival, industry concentration, economic activity and employment are some of the reasons used for firm growth to be considered as an issue of critical interest. As it stands now, no specific theory exists to analyse the evolution, causes or impact of business growth (Lotti, *et al.*, 2009). As pointed out by Correa (1999), this may be due to the fact that, the definition of the "firm" is complex and multiple. This complication instigated the emergence of scholars with varied viewpoints and with varied predictions on the evolution of growth (Lotti, *et al.*, 2009; Mao, 2009; Lumpur, *et al.*, 2015). This is evidently realised from variables used to evaluate business growth and its causes in literature (Mao, 2009). Also, other theories pay attention to the internal characteristics, average size and others on random variables (Wit, 2005; Gill and Biger, 2012).

Nonetheless, one way to introduce innovation and new technology into a business is through its growth (Khan, 2013). For instance, a firm which desire to survive and grow competition in its sector, needs to integrate new and advance technologies for it to be more efficient (Coad and Holzl, 2010). Due to complexity nature of firm growth, the contributions from the behaviourist, classic economic theory, learning models and the stochastic growth models have assisted in perceiving the causes and effects face by business when desiring to growth.

2.8.1 Classical Economic Theory

Classical economic theory has examined firm growth with the aim of finding out the optimum size of a firm. Business growth is consequently seen in the variation between different symmetry situation (Davis and Shaver, 2012). This displays an undesirable connection between

business growth and its size. The undesirable relationship is due to businesses pursuit for optimal and the utmost efficient size. This model argues that firms will be driven to the base of its U-shaped average cost curves as a result of competition in the market (Dobbs and Hamilton, 2007; Halvarsson, 2013). The main inference of the classical model is that business growth is constantly reduced by its finest size. Nevertheless, since 1970s there had be a procedure of concentration within industries (Arkolakis, 2015; Arkolakis, *et al.*, 2017). Therefore, the criticisms levelled against the classical theory particular is that, this model cannot account for the existence of larger businesses whose size exceeds the optimum size as well as the evolution of business growth over time (Coad and Holzl, 2010; Arkolakis, 2015; Arkolakis, *et al.*, 2017).

2.8.2 Behaviour Approach Theory

The Behavioural approach considered the criticisms raised in the classical models. The approach proposes that, businesses may be large due to the detachment among its ownership structures and control objectives. Cases where owners do not manage the affairs of the business, managers intern maximize their individual gratification instead of creating value for the firm (Graham, *et al.*, 2013). Behaviourist economists clarify that managers can increase their own gratification through the expansion of the firm (Coad and Holzl, 2010; Halvarsson, 2013). The claim made by Penrose (1959) is that, business do not usually have a long term optimal size rather, there exists a limitation in the growth rates on its current period. This meaning that, quick growth may be as a result of decrease in the efficiency of the organisation.

As suggested by this theory, there are varied forms of behaviour of a firm and diverse performance levels, as a result, profitability may also differ (Wit, 2005). Though, the explanation given don't show the rational associated with business growth which seems to be quite temporary, this makes it look like a random process. However, behaviour theory focuses on explaining why businesses are more competitive (Coad and Holzl, 2010). To articulate this,

this school of thought placed emphasis on the uniqueness of a business and its internal elements that describe its overall performance. The variance in a firm's characteristics is explained by the diversity in its performance. However, this approach has weaknesses; such as the generality of managerial abilities and inadequate empirical studies which examined the relationship between knowledge structures and business growth.

2.8.3 Stochastic Theory

This theory has advanced along with other theories (Lotti, *et al.*, 2009). The stochastic theories intentions can be perceived as the persistence and existence of the stochastic factors influencing the behaviour of business and to perceive the existence of concentration and inequality between organisations. Stochastic model was developed mainly in the field of economics (Coad and Holzl, 2010; Graham, *et al.*, 2013), and the model proposed that, there are a lot of issues which affect growth, thus explaining the absence of any dominant theory (McMahon, 1998). The model was developed from Gibrat's (1931) "Law of Proportionate Effect" which serves as a useful benchmark for previous studies in the determinants of business growth (Lotti, *et al.*, 2009). This Law predicts that, the past growth of a firm cannot be used to predict its growth in future. Gibrat's Law stress that, there are several causes which contribute to the change in the size of a firm, but none of these changes exert a major influence over time. Thus, the failure or growth of a firm is contingent to the abilities of its management, government policy, its customers taste and other forces, but each variable is explained for by a very small portion of the proportionate growth of the firm (Leković and Marić, 2015).

2.8.4 Learning and Selection Approach

The appearance of this theory in economic literature was recognised recently. Empirical studies indicate that the post-entry performance and survival of new businesses is contingent on its ability to adapt and apply the correct strategies that exist in the business environment (Gill and Biger, 2012; Jaafar, 2012; Khan, 2013). The learning and selection theories stresses on firm's

ability to learn and its innovative capabilities. There are numerous outstanding theories in the learning and selection models (Jovanovic, 1982; Ericson and Pakes 1995; 1998). The features of these models take into consideration the dynamics and the efficiency level of businesses, which control the survival rate of businesses.

It was also, proposed by Jovanovic (1982) in his study that, the level of efficiency of the firm is not known until it enters the market. This is called a Bayesian or passive learning process. He emphasizes that once businesses enter the market environment, the efficient ones raise faster till they reach a minimum efficient size while businesses which are not efficient in their dealings disappear with time. Other scholars suggested that, an active learning process is when firms are aware of their level of efficiency when entering a particular market (Arkolakis, 2015; Arkolakis, *et al.*, 2017), this helps the firm to modify its investment in order to grow. From the above discussion of the various growth theory, this research adopted the learning and selection firm growth model.

2.9 Innovation as Strategy for Business Growth

Peter Drucker's quoted that the most important functions in a business are marketing and innovation. Marketing and innovation are the drivers to understand and fulfil customer needs, and without satisfied customers to buy a company's products and services, a business would cease to exist (Reece, 2010; Stokes and Wilson, 2010). Market differentiation is mostly created from the innovative abilities of businesses" (Stokes and Wilson, 2010). In most cases, the values statement of many companies, there is the prospect to change on innovation as a core value. But the desire for an innovative culture extends far beyond technology companies (Reece, 2010). A culture of innovation has become a requirement in today's rapidly changing business environment (Stokes and Wilson, 2010).

Despite this fact, few firms put meaningful energy into nurturing a culture of innovation especially in developing countries such as Ghana. Innovation is needed elsewhere, from the confines of engineering, product development teams and R&D, therefore, improved innovation drives new business processes, cost efficiencies, value creation for customers and strategies to participate and succeed in competitive markets (Reece, 2010; Stokes and Wilson, 2010) especially in the travel and tourism industry.

2.10 Business Growth Models: Considering the Ansoff Growth Matrix

There are several approaches adopted by businesses to determine its product/service and the market growth tactic to apply of which the Ansoff growth matrix is one of them. The matrix has four strategies, which includes Market penetration, Product development, Market development and Diversification (Basodan, 2016; Kotler and Keller, 2012).

2.10.1 Market Penetration

This describe a growth strategy where the business focuses on selling its existing product or service to its existing market (Johnson, *et al.*, 2008). This growth can be achieved if the business is able to increase its market share in its current market through the combination of competitive pricing strategies, and any of the promotion mix strategies (Basodan, 2016; Kotler and Keller, 2012; Johnson, *et al.*, 2008). Also, this can be achieved by restructuring a mature market by driving out competitors; this way an aggressive promotional campaign and low pricing strategies may be designed to make the market unattractive for investors and attract new customers in the current market (Basodan, 2016). Introduction of loyalty schemes can also increase usage of the company's services by existing customers.

2.10.2 Product Development

With product development, the business aim at introducing new service or product to its current markets. This approach may entail the development of new capabilities and occasionally the

modification of the product /service to appeal to its existing markets. This strategy according to Johnson, *et al.* (2008), is particularly suitable for businesses who want to differentiate its products/services to remain competitive. Profit is gained by the addition of new features and elements to its existing offering. For this strategy to be successful emphasis must be placed on research & development and innovation (Kotler and Keller, 2012; Johnson, *et al.*, 2008) examples of companies applying this strategy are McDonald, Apple, Disney lands etc.

2.10.3 Market Development

The market development involves sales of company's existing products or services to new market (Basodan, 2016). There are various ways of approaching this strategy: expanding to new geographical market, new distributing channels, creation of new market segment (niche). Also, this strategy is considered riskier than market penetration and product development (Johnson, *et al.*, 2008).

2.10.4 Diversification

This strategy takes the company away from both its existing markets and existing product/service. In this sense, diversification radically increases the scope of the company (Johnson, *et al.*, 2008). For instance, when McDonald's introduced Mc Café can be considered as a clear diversification as described by Ansoff matrix (Basodan, 2016).

2.11 Measuring Business Growth

The growth of businesses can be measured in many ways (Johnson, *et al.*, 2008; Schiffman and Kanuk, 2010; Kotler and Keller, 2012; Lovelock and Wirtz, 2012; Halvarsson, 2013; Khan, 2013). For instance, growth is measured in terms of increases in employment (Coad and Holzl, 2010; Davis and Shaver, 2012; Dupeyras and MacCallum, 2013; Halvarsson, 2013). This measure is most appropriate to many policy makers since, business growth is seen to reduce unemployment (Coad and Holzl, 2010). Growth in employment is hardly recognised by

business owners (Khan, 2013). Also, business growth has been measured by the increase in sales and turnover (Johnson, *et al.*, 2008; Schiffman and Kanuk, 2010; Kotler and Keller, 2012; Lovelock and Wirtz, 2012; Khan, 2013).

Again, several measures are presented, for instance growth in market share, assets, physical output and other indicators of profitability (Bravo-Biosca, 2011; Basodan, 2016; Arkolakis, *et al.*, 2017). Though, the measures of “employment” and “sales turnover” have served as the most common means of operationalising business growth for this reason, they are comparatively undisputable and data tends to be easily accessible (Anyadike-Danes, *et al.*, 2009; Khan, 2013).

Profits are considered to be a vital indicator of success, the relationship of profits to size is showed in lengthy periods of firms (Bravo-Biosca, 2011; Direct Marketing Association, 2011). Researchers have used both absolute (Coad and Holzl, 2010) and relative measures (Davis and Shaver, 2012) in the analysis of business growth. It has been revealed that absolute growth and percentage change has a substantial impact on research findings. For instance, growth defined by relative measures tend to favour small firms as compared to the definition based on absolute growth (Coad and Holzl, 2010; Bravo-Biosca, 2011; Davis and Shaver, 2012; Bravo-Biosca, *et al.*, 2014).

Given the apparent restrictions of these measures, it is therefore difficult to determine the best measure for business growth. Besides, the use of diverse measures has been shown to yield different results (Bravo-Biosca, 2011). In reviewing business growth, Bravo-Biosca, *et al.* (2014), studied both growth in sales and growth in numbers of employees and identified that, the factors affecting sales were not often the same as those affecting the number of employees. Some firms can be assumed to grow in a “traditional” way, by simultaneously increasing the sales and employment of the original business entity.

While as other firms, however, may increase sales while actually reducing employment. Thus, several scholars advocate the use of multiple growth measures in the study of firm growth (Johnson, *et al.*, 2008; Schiffman and Kanuk, 2010; Lovelock and Wirtz, 2012; Halvarsson, 2013; Khan, 2013). The use of many measures is expected to provide a more complete image of any empirical relationships in firms' growth as well as offer a way to test the robustness of any theoretical model (Coad and Holzl, 2010).

2.12 The Concept of Social Media Adoption

According to (Artha, *et al.*, 2016), the dawn of Web 2.0, has played an important role in the development of social media. Web 2.0 is generally accredited to O'Reilly (2005), which refers to platform of technology infrastructure where users acclimatize or add content and applications in a participatory and collaborative matter. Social media also known as social networking sites, put emphasis on content, with end-users enthusiastically playing a role in the creation of that content (Artha, *et al.*, 2016). Also, Kaplan and Haenlein (2010), argues that social media are applications which are internet-based that build on the technological and ideological foundations of Web 2.0, permitting the formation and exchange of user generated contents. Internet generated contents were a one-way communication prior to the emergence of social media, the upsurge of social media incites a shift of online contents to a two-way or many-to-many means of communication (Artha, *et al.*, 2016).

Moreover, the growth and popularity of social media have driven companies into its use (Lange-Faria and Elliot, 2012; Tsimonis and Dimitriadis, 2014). Besides, numerous social media handles can be used for several purposes which includes learning, collaboration, entertainment and communication (Kaplan and Haenlein, 2010; Lange-Faria and Elliot, 2012). Safko and Brake (2009), classified social media into 15 forms: social networking (Facebook, LinkedIn, etc.); publishing (Wikipedia and SlideShare); photo, audio and video

sharing (Flickr, YouTube and Vimeo); microblogging (Twitter, Tumblr); live casting and virtual worlds (Second Life); gaming and productivity applications (BitTorrent or Google Docs); aggregators (Digg, Reddit, Yelp); RSS; search; mobile; and interpersonal.

Nevertheless, the return of companies' investment on social media is still questioned (Hays, *et al.*, 2012). Despite the existence of reports of best practices and scholarly works, few of these works offer a strategic view on how companies can adopt and implement social media in their marketing efforts/ activities.

In order to explain the procedure of social media adoption, it is crucial to analyse the concept of adoption. Several explanations of technology adoption in organizations has been established by previous literature (Park, 2009; Flinck, 2011; Podobnik, *et al.*, 2013; Hajli, 2014)

2.13 Theories on Social Media Adoption

2.13.1 Theories on Diffusion

Previous literature has discussed the work of Beal and Bohlen (1957), their work introduced various phases of technology adoption starting from awareness, interest, evaluation, trial and adoption. The five phase of technology adoption is an important research to comprehend the adoption phases among country (Schegg, *et al.*, 2008; Bruque and Moyano, 2007). Also, Bass (1969) characterised technology adopters into two groups: innovators and imitators. Innovators in the social media adoption context are firms or countries that decide independently to adoption a new technology.

Meanwhile, imitators are influenced by other firms or countries in the decision of adopting a new technology (Bruque and Moyano, 2007; Dahnil, *et al.*, 2014). The generalized Bass Model (Bass, *et al.*, 1994) presented decision variables such as marketing effort and price. Brass concluded that marketing effort and price decision variables impact the time in which

technology adoption occur. The original Bass model and the newer model only provided the same fit so long as marketing effort remained constant.

2.13.2 Theories on Behavioural Perspective of Adoption

Related theories in technology adoption are suitable in explaining the outcomes of adoption, the behavioural theories however, emphasis human behaviour which has impacts on the individual level (Dahnil, *et al.*, 2014). The Task-Technology Fit Theory, held that task and technology characteristics impact the usage and performance of different technologies by human (Goodhue and Thompson, 1995) however, many researchers have explored its strengths and weaknesses. Also, Vatanasakdakul and D'Ambra (2007), have claimed that utilization, national culture, business relationships and technological infrastructure are antecedents to task and technology fit between organizations. Massey, *et al.*, (2001) suggested that cultural differences with respect to country of origin significantly influence individual perceptions of Task-Technology Fit Theory.

Likewise, another relevant perspective is the Theory of Reasoned Action (TRA) by Ajzen (1991) stated that, attitudes and subjective norms affect behavioural intention. Davis (1989), applied TRA to the individual level of technology adoption behaviour. The subsequent outcome was one of the most popular behavioural theories of technology adoption. Besides, the Technology Acceptance Model (TAM) provided two important constructs which impact individual's intent to use technology: Perceived Usefulness (PU) and Perceived Ease of Use (PEU) (Wu, *et al.*, 2011; Lee, *et al.*, 2009). TAM provided a generally accepted model in several technologies. The model had been tested for predicting and explaining behaviour in more than two decades.

Based on the above discuss of various technological and behavioural adoption theories hence, this study would adopt the TAM model since it captures the elements that the study seeks to measure.

2.14 The Technology Acceptance Model

According to Wu, *et al.* (2011), in examine technology acceptance the predominant theory to consider is TAM (Davis, *et al.*, 1989). Ayeh, *et al.* (2014) acknowledged that, the TAM is considered the most dominant framework used in addressing user acceptance (Park, 2009).

The TAM integrates users' beliefs and attitudes into the intention to accept new technologies. Davis (1986), again emphasised the importance of understanding users' intentions to reject or accept a technological innovation based on its perceived ease of use and perceived usefulness so as to avoid failure of its implementation. Majority of TAM researchers extended the model by adding external variables however, this study limited itself to perceived usefulness (PU), perceived ease of use (PEOU) and attitude of travellers towards social media adoption in assessing their travel-related activities in Ghana tourism industry.

2.15 Constructs in the Technology Acceptance Model

2.15.1 Perceived Usefulness (PU)

Perceived usefulness (PU) can be referred to as the degree to which an individual is convinced that using a particular technology would improve their performance (Lee, 2009). With respect to this study, PU was observed as the perceived benefits associated with the use of social media sites for organising trip. According to Lopez, *et al.* (2011), these benefits are different and keeps changing which impact the attitude towards the usage of social media when preparing for vacations/trip. It is assumed in this study that social media sites professed that usefulness and can influence the attitude towards the usage of social media for trip organisation (Dahnil, *et al.*, 2014).

2.15.2 Perceived Ease of Use (PEOU)

Perceived ease of use (PEOU) has been recognised from prior research to be a vital aspect inducing user acceptance and usage behaviour of information technologies (Matikiti, 2015).

It describes the user's perception of how easy the innovation (social media) is to use and learn.

In other words, PEOU describes the degree to which the users expect the technology to be free of effort. This includes support, complexity and change (Hajli, 2014). Hence, perceived ease of use positively influences the perceived usefulness of social media in trip organisations.

2.15.3 Attitude Toward Use

The two constructs perceived usefulness and perceived ease of use are effective in the user's attitude toward using a new technology (social media) (Mackay and Vogt, 2012; Matikiti, 2015). Attitude towards the use of social media sites has a significant impact on the intention to recommend others to the destination/ site (Hui, 2015). In this regard, social media adoption is indirectly affected by both PEOU and PU.

2.16 Challenges in Adopting Social Media as a Marketing Tool

The success stories of social media adoption are quite common topic currently when thinking about business growth (Reece, 2010). However, if an organisation intends to build a forum on its webpage or any of its social media platforms, e.g. a positive word of mouth (WOM) is not guaranteed (Dahnil, *et al.*, 2014). Despite the prospects, organisations may be faced with some challenges associated with the adoption of social media (Reece, 2010; Dahnil, *et al.*, 2014; Hajli, 2014; Hui, 2015).

People are mostly influenced by their peers than messages directly received from a firm through social media, there is the potential for quick and widespread word of mouth (WOM) if peers recommend the service of a firm to others. However, if these comments are otherwise, it creates the negative publicity among the audience in social media from the firm's point of view

whereas from the customers point of view it is an easy way to hide behind a user name or to be completely anonymous (Dahnil, *et al.*, 2014). Also, the stories written, videos and photos uploaded on the internet may have a long lifetime and travel fast around the world in a short period of time and what might seem to be a trivial problem/issue may be causing bigger problems to the firms in the future (Dahnil, *et al.*, 2014).

Moreover, some firms can't tolerate the fact that consumers are criticizing its brand on the internet and on other social media platforms and may even decide to retaliate in any way possible. However, that is not the best way to respond to these kinds of situations (Matikiti, 2015). No matter what happens, some of the consumers are going to criticize the firm's actions, so it is better to have them having discussion and talking openly on firm's own webpage and social media platform. This way the firm has an opportunity to have an open communication with the consumers and have also the ability to react fast to the criticism and feedback received. Also, Culnan, *et al.* (2010), present few internal risks associated with social media adoption. These include: security breaches, breaches of client confidentiality, leaks of intellectual property and violations of the firm's policies or codes of conduct. All said and done, to be effective and successful in adopting social media, businesses need to take these challenges into consideration and have a plan on how to handle them as they come (Bernoff and Li 2008; Culnan, *et al.*, 2010). Furthermore, regardless the money and resources invested in the adoption of social media, businesses can never predict the kind of outcome, since on the other side there are consumers who have obtained a lot of power in social media environment (Reece, 2010).

2.17 Overview of Ghana Tourism Industry

Tourism is a key foreign exchange, employment and revenue generator for many economies in the world (World Economic Forum, 2016). Ghana's tourism direct contribution to the economy has increased from US\$679.6 million in 2011 to US\$841.8 million in 2015 (Africa Centre for

Statistics, 2017). From 2011 through to 2016, the jobs created directly by the sector have declined from 6.1% to 5.7% (ibid). Investment in Travel & Tourism increased to GHS1,008.4 million representing 2.9% of total investment in 2015 (World Economic Forum, 2016).

Also, total spending over the years in the sector has shown steady growth. International tourists were 1,180,000 in the year 2015 and this is expected to grow to 1.5 million by 2024 (World Economic Forum, 2017). International tourists' earnings constitute the fourth highest foreign exchange for Ghana, after gold, cocoa, and foreign remittances (Africa Centre for Statistics, 2017).

Additionally, Ghana Tourism Authority statistics for 2012-2014 showed that some of the reasons which inspire visitors to Ghana were business (23.0%), conferences/meeting (8.9%), study/training (7.9%), visiting friends and relative-VFR (24.7%), transit (10.5%), holiday travel (19.0%) and others (6%) (Ghana Tourism Authority, 2016). Likewise, the top ten tourist destinations that recorded the greatest patronage in 2015 were Kakum National Park (183,679), Cape Coast Castle (85,898), Elmina Castles (73,830) Kwame Nkumah Memorial Park (93,284), Kumasi Zoo (67,572), Wli Waterfalls (69,872), Manhyia Palace Museum (50,989), Tagbo Waterfalls/Mt. Afadja-Liate Wote (16,057), Prempeh II Jubilee Museum (13,339) and Nzulezo (13,182) (Ghana Tourism Authority, 2016).

However, Kenya and Senegal are good comparators for Ghana in the tourism industry. These two countries are lower-middle-income countries (World Economic Forum, 2015). Senegal is considered similarly attractive to Ghana in the West African sub-region and Kenya is considered more attractive than Ghana in Africa (World Economic Forum, 2017). Both Senegal and Ghana have considerable strengths in cultural and heritage tourism while Kenya is a

destination for nature tourism and has strengths in culture, beach and business/conference tourism.

Ghana's ranking according to World Economic Forum's (WEF) (2015), Travel & Tourism Competitiveness Index (TTCI) was 120 out of 141 countries. Kenya and Senegal outpace Ghana, ranking 78 and 112, respectively. Both comparators rank better in terms of natural and cultural assets largely because they have more UNESCO World Heritage sites and do better in protecting their marine and natural habitats (World Economic Forum, 2015).

However, the quality of Ghana's natural environment and richness of the fauna can be compared to Kenya, a global leader in nature tourism; Ghana leads Senegal in terms of creative cultural exports, perhaps due to the international recognition of its traditional textiles and designs as well as the pre-eminence of chieftaincy and pageantry in the country's

traditional cultures.

2.18 Effects of Direct Marketing on Business Growth

2.18.1 Direct Marketing leads to Customer Relationship Building

Andrew, *et al.* (2007) suggested that, in the building and maintaining quality relationship with a lot of individual customers, the company is required to have as much information as possible about each customer in order to access, manipulate and analyse that information generated from the customer database (Reece, 2010; DMA, 2011). Therefore, customer relationship management (CRM) is an important aspect in building a strong relationship with customers (Kotler and Keller, 2012; Martínez-López and Casillas, 2008; Reece, 2010).

Moreover, the internet has also made it possible to follow individual customer usage or activities online (Brondmo, 2015) thereby making it easy to create such a relationship. With the information gathered in an integrated database it is then possible to know the customers' needs and how to satisfy them. This knowledge can be used for different kinds of direct

marketing (Tapp, *et al.*, 2008, Stone and Jacobs, 2008; Bose and Chen, 2009; Reece, 2010; Brondmo, 2015). Even though online and social media adoption seems to have captured the attention of younger generations, this does not leave other forms of marketing dead (Reece, 2010). Some scholars suggest that, companies cannot ignore newer and alternative direct marketing strategies, nor can they solely focus on traditional channels, as there is an ultimate point which incorporates both traditional and newer marketing strategies (Lee, 2000; Stone and Jacobs, 2008; Bose and Chen, 2009; Brondmo, 2015). In all, direct marketing activities is a strategy that can be implemented by businesses who's focus are on increasing its profitability and growth.

2.18.2 Direct Marketing leads to Increase in Sales

Several customers welcome contacts from familiar business people who always make effort to understand their needs and builds personal relationships (Reece, 2010). In view of this, the company can easily persuade such customers to purchase more of its products or services (Percy, 2008). Also, keeping a reliable customer records and choosing simple, well-planned promotional tactics enable the company sell more to its target market (Basodan, 2016). Likewise, existing customers can facilitate or create a lead for the company to increase its sales through word-of-mouth especially if customers are satisfied with the company's offer (Andrew, *et al.*, 2007; Percy, 2008; Reece, 2010; Dupeyras and MacCallum, 2013; Brondmo, 2015; Basodan, 2016). Furthermore, companies can adopt direct marketing tactics to reestablish relationships with customers who tried its service or product. Approaching lapsed customers can be a great opportunity to rekindle sales and other relevant information from the customer to improve the offering of the company (Dobbs and Hamilton, 2007).

2.18.3 Effective Direct Marketing enhances Brand (destination) Image

Additionally, previous studies (Lange-Faria and Elliot, 2012; Song, *et al.*, 2014; Munar, *et al.*, 2017) disclosed that, destination image affect tourists in the selection of a destination, the

subsequent assessment of the travel and in their future intentions. It can be concluded that destination image has impact on tourists' patronage as well as recommendations to others. A good image obtained from travel experiences would result in positive assessment of a destination (Song, *et al.*, 2014). Also, destination image affects the behavioural intentions of tourists. A more favourable image will lead to a repeat visit to the same destination (Chi and Qu, 2008; Dominique and Lopes, 2011; Hui, 2015). In all, it can be concluded that direct marketing affects business growth in the tourism sector. To ascertain this, this hypothesis was proposed.

H1: Direct marketing has a positive effect on business growth

2.19 Effect of Direct Marketing on Social Media Adoption

2.19.1 Awareness and Lead creation

While many thought that direct marketing was fading away, it appears that the concept has made a significant comeback through the use of social media. Mortimer (2010) stated that, the market had shifted a sizeable portion of approximately 40 percent of its direct marketing initiatives and budget to social media efforts. The reason for this shift is that social media has provided direct marketers with the need interaction with their target audience as they have always wanted. Social media has enable marketers to customize and tailor their services directly to potential customers (Brondmo, 2015). Palmer and Koenig-Lewis (2009), used their experiential-based model of direct marketing and social media to established these findings, indicating how crucial social media is in terms of achieving successful and effective direct marketing response.

In addition, word of mouth (WOM) is a key fact in the practice of direct marketing strategies because of its ability to create awareness and lead for many companies. This WOM can also, be found on social media, this will be referred to as "electronic word of mouth (E-WOM)" with respect to this study. One of the biggest advantages of WOM in marketing is „lead creation“

(Andrew, *et al.*, 2007; Brondmo, 2015). This can be realised through the feedback received by the business from customers. For instance, a Facebook post from someone who has taken the time to write on the Facebook wall of a business, a comment on a blog post and among others can go a long way to influence decisions of other customers. Again, a large audience and positive E-WOM through social media can really add to a company's or individual's possibility and credibility for directly marketing destinations via social media.

Furthermore, Marshall, *et al.* (2012), showed how sales representatives utilize LinkedIn for building their customer base, this ensures a large amount of transparency, as potential customers can connect, via LinkedIn, with the current clients of the business and know their experiences. This positive feedback and added credibility does not only assistance businesses to know their performance, it also aids potential customers to consider doing business with the company in future. Though it is almost inevitable that every company using social media channels will receive some sort of negative feedback, it is possible to change these negative posts into an opportunity. This type of feedback shows how the business can improve its services as well as how responsive and resolution focused the company is from the customers viewpoint (Schlinke and Crain, 2013). If businesses handled negative feedback in a mature and good-natured manner, can be a great opportunity for a brand than a positive feedback. The above discussion shows that direct marketing through social media is effective and to ascertain that, this hypothesis was proposed.

H2: Direct marketing has a positive effect on Social media adoption

2.20 Effect of Social Media Adoption on Business Growth

Social media offers great potential in business growth when the right strategy is adopted. Studies shows that about 83 per cent of social media users agree that positive comments and recommendations from others in their social network influence them when considering a new

product or service (Weightman, 2012). The adoption of social media can benefit any business in these major aspects: capitalisation of conversations among customers via word-of-mouth (WOM); and cost-efficient communication with customers (Mackay and Vogt, 2012; Jashi, 2013; Matikiti, 2015). Foremost, social media adoption offers a cost-effective means to enhance businesses' communication with their customers. The adoption of social media assist companies to educate their target customers about their services. This can be released if companies identify key influencers among their audiences and respond to their audiences in a timely manner with less cost as compared to using traditional communication tools (Percy, 2008; Reece, 2010). Also, honesty is a significant factor in a company's marketing efforts (Berthon, *et al.*, 2008). Social media allow businesses to build sustained positive relationships by engaging their audiences via interactions and exchange of ideas (Lange-Faria and Elliot, 2012). By sharing valuable and interesting information continuously, a business can influence its audience for its expertise in problem-solving and can create trust by demonstrating its sincerity to help (Chu and Kim, 2011). These positive relationships as a result inspire customers to engage in offline interactions and can lead to new business growth (Scott, 2009).

2.20.1 Tourist Patronage

In the travel industry, empirical evidences show that tourists' satisfaction is a good indicator of their intentions to revisit and recommend destinations to family and friends (Tyrrell and Johnston, 2007; Zhou, *et al.*, 2010; Dominique and Lopes, 2011; Flinck, 2011; Xing and Dangerfield, 2011; Lange-Faria and Elliot, 2012; Song, *et al.*, 2014; Matikiti, 2015; Munar, *et al.*, 2017). It is normally believed that satisfaction leads to repeat purchase and positive WOM recommendation, which are strong indicators of retention and business growth. With effective engagement strategies, destination managers can motivate its former customers to disseminate opinions about its services, which on the other hand, meets potential customers' need to access detailed information about the destination and its historical performance (Chi and Qu, 2008).

Despite the numerous benefits associated with social media adoption, many destinations studied in previous research did not use social media to its full potential (Chi and Qu, 2008; Kaplan and Haenlein, 2010; Lange-Faria and Elliot, 2012). However, it is not known whether destinations in Ghana leverage on social media to enhance its growth and development, to ascertain this, the hypothesis below was proposed.

H3: Social media adoption has a positive effect on business growth.

2.21 Effect of Social Media Adoption on Tourism Industry

There is a growing recognition of the potential, the internet and social media offers as tools for marketing tourism products, services and destinations (Kaplan and Haenlein, 2010; Lange-Faria and Elliot, 2012). The major difference between social media and traditional websites is that social media are user-customized and loosely controlled by the website owners (Kaplan and Haenlein, 2010). Whiles, traditional websites are mostly controlled by the destination managers (Kaplan and Haenlein, 2010; Matikiti, 2015; Munar, *et al.*, 2017). Recent advances in the understanding of opportunities for co-creation of products between consumers and firms matched with the opportunities available via the web to tailor specific products to customers and also, opens a range of new possibilities for destinations managers (Munar, *et al.*, 2017).

Again, social media adoption provides another avenue for increasing awareness about specific destinations as well as providing opportunities to engage with potential tourists through features that encourage co-creation (Scupola and Wildermuth, 2015). Similarly, many destination managers are increasingly embracing the use of interactive technologies to market their destinations to prospective tourists (Lange-Faria and Elliot, 2012) however, their understanding of social media marketing is often vague, varied and experimental (Hays, *et al.*, 2012). Numerous studies have focused on online search behaviours and perceptions of customers when using social media (Hudson and Thal, 2013; Kang and Schuett, 2013;

Woodside, *et al.*, 2007; Xiang and Gretzel, 2010). Other studies have focused on how social media is used by national tourism organizations (Hays, *et al.*, 2012), national capital cities (Miguens, *et al.*, 2008) and the hotel industry (Chan and Guillet, 2011; Leung and Bai, 2013). However, social media as a direct tool for promoting destinations has been largely ignored especially in the Ghanaian context. Despite the challenges faced by destination managers in Ghana in their marketing efforts, these managers can leverage on social media adoption to utilized their direct marketing activities to enhance the industry's growth as a whole.

2.22 Conceptualizing the Mediating Role of Social Media Adoption in the Relationship between Direct Marketing and Business Growth

Primarily, mediation analysis has its roots in the literature of Structural Equation Models (SEM), going back to Wright's (1986), method of path analysis (Jenatabadi, 2015; Baum, 2016). Mediation analysis (Jenatabadi, 2015) intentions is to discover causal pathways along which changes are transmitted from causes to effects (MacKinnon, 2008). In correlational and experimental research in business, mediating variables may be used to explain the cause and effects of the relationship that exist between the independent and dependent variables in an attempt to determine the nature of the study more accurately and functionally (Namazi and Navid-Reza, 2016).

Also, a mediator variable (ME) also called “intervening or process variable”, is the variable that causes mediation in the relationship between the dependent variable (outcome) and the independent variable (causal variable) (Gunzler, *et al.*, 2013; Jenatabadi, 2015; Namazi and Navid-Reza, 2016). Moreover, in mediation model, it is hypothesized that there is no direct relationship between the dependent and independent variables (Jenatabadi, 2015). Instead, the independent variable foremost influences the mediator variable, before the mediator influences the dependent variable (Jenatabadi, 2015; Namazi and Navid-Reza, 2016). Thus, the

relationship between the dependent and independent variables is characterised by a casual chain of effects (Namazi and Navid-Reza, 2016).

Recently, social media has become a new form of marketing communication tool which is growing rapidly and at a dynamic pace (Percy, 2008). Also, several businesses leveraging on the adoption of social media and other electronic media in conducting their marketing (Reece, 2010; Dahnili, *et al.*, 2014). With regards to this study, the relationship between the mediator (social media adoption) and the other variables is considered as an indirect effect. In a comparable note, a number of empirical studies have also recognised some level of relationship between direct marketing strategy and business growth (Flici, 2011; Reece, 2010; Dahnili, *et al.*, 2014; Brondmo, 2015). Nevertheless, the direct effect which is the relationship between direct marketing approaches (independent variable) and business growth (dependent variable) has also been researched into by a number of scholars (Chi and Qu, 2008; Reece, 2010; Direct Marketing Association, 2011; Dominique and Lopes, 2011; Shirafkan, *et al.*, 2013; Brondmo, 2015; Scupola and Wildermuth, 2015; Basodan, 2016). Moreover, the result of these studies provided gaps for further studies which will focus on establishing the mediating role of social media adoption in the relationship between direct marketing and business growth especially in Ghana's tourism industry. To examine this, the following hypothesis was proposed;

H4: Social media adoption has a positive effect on the relationship between direct marketing and business growth.

In conclusion, literature review in these areas still have gaps which needs further studies on the mediating role of social media adoption in the relationship between direct marketing and business growth. In Africa, a little have been done concerning these areas especially in Ghana. This has motivated this research.

2.24 Conceptual Framework of this Study

In view of the current state of social media adoption, this study proposes a conceptual framework on the impact of direct marketing on business growth with social media adoption serving as the mediating variable. The study also investigates the fit of TAM model and the learning and selection growth theory as well as some direct marketing strategies adopted in the tourism industry of Ghana. Several studies have focused on the adoption and use of social media by companies (Chi and Qu, 2008; Lee, *et al.*, 2011; Allen, 2012; Aboelmaged and Gebba, 2013; Al-Rahimi, *et al.*, 2013; Alsamydai, 2014; Arkolakis, *et al.*, 2015). This group of studies pivots around managerial, executive or decision-making perspectives, as well as perceptions of firms about the use of social media in their organizations. This category includes studies about what drive or motivate firms to adopt social media. Two prominent examples of this studies are Lorenzo-Romero, *et al.* (2013) and Tsimonis and Dimitriadis (2014), Lorenzo-Romero, *et al.* (2013) explained that, the foremost motive to use social media for most small retailers is the perceived usefulness of social media for networking and customer service, while for medium retailers, the main motive is to provide customer service and brand-building and large companies aim for brand-building. Also, Tsimonis and Dimitriadis (2014) discovered that, the most common motivations that lead companies to get involved in social media are the growth, popularity and viral nature of social media, presence of competitors in social media and pressure to reduce costs.

Besides, developments in technology have caused increasing opportunities for interactions between firms and customers, between customers and between firms (Ramani and Kumar, 2008). Ramani and Kumar (2008) further suggested that, empowerment of customers reflects the extent to which a firm offers its customers ways to connect with the firm and actively shape the nature of transactions; connect and collaborate with each other by sharing information, praise, criticism, suggestions and ideas about company products, services and policies (Flinck,

2011; Dahnil, *et al.*, 2014; Song, *et al.*, 2014; Bowen and Ozuem, 2015). This idea supports the concept of direct marketing as well as social media adoption, in the sense that the use of social media as a marketing tool can foster customer relationships (Percy, 2008; Reece, 2010; Dahnil, *et al.*, 2014; Brondmo, 2015). In this sense, RamsaranFowdar and Sooraj (2013) showed that, business perceives social media adoption as a way to allow customer participation, improve customer support and obtain customer feedback as well as ensures the growth of the business.

Furthermore, firm's growth is a way to introduce innovation and is a leitmotiv of technological change (Pagano and Schivardi, 2003). For instance, if a firm desire to grow and survive in its competitive industry, it needs to integrate new technologies in order to be more efficient. In this regard, growth is a challenge a firm must meet by introducing innovation of which the destination cannot be left out. Figure 2.1 below shows the mediating role of social media adoption between direct marketing and business growth.



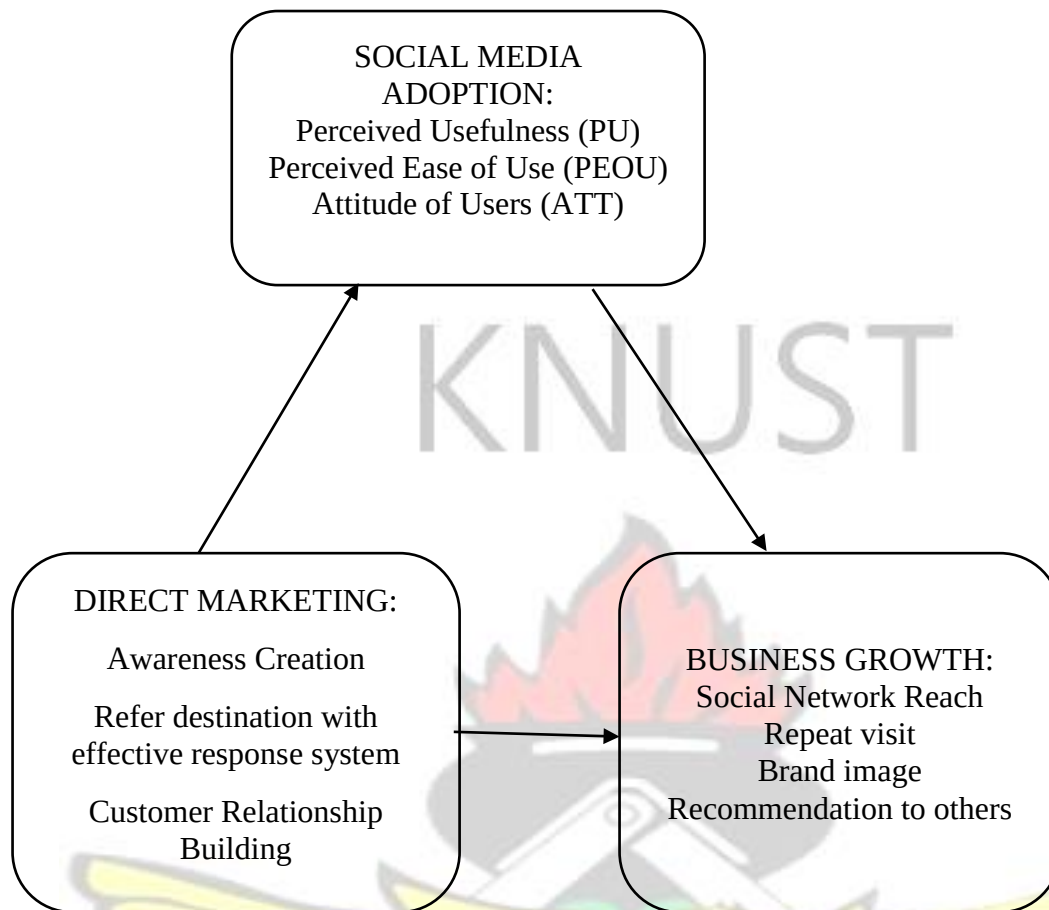


Figure 2.1: Conceptual Framework

Source: Author's Own Construct, (2017)

The concept established in figure 2.1 is a mediation model. The level of utilization of social media by a firm is to mediate the relationship between a firm's direct marketing activity and its general growth. In the above mediation concept, the relationship between direct marketing of tourism destinations and tourism growth is referred to as direct effect in terms of relationship. Several empirical studies showed that, direct marketing strategies have a positive influence on business growth (Tapp, *et al.*, 2008; Recee, 2010; DMA, 2011; Dahnil, *et al.*, 2014; Brandom, 2015; Hudson, *et al.*, 2013). Also, the indirect effects established in the mediation concept above are:

- The relationship between direct marketing and social media adoption and
- The relationship between social media adoption and business growth

To conclude the hypothesis, the following path were established: (1) direct marketing - business growth (2) direct marketing - social media adoption (3) social media adoption - business growth and (4) direct marketing - social media adoption - business growth.

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CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

To investigate the contemporary adoption patterns of social media in Ghanaian tourism industry, a survey was conducted to examine the rate at which the industry used social media in its direct marketing campaigns which in the end enhances it business growth. This study was conducted in four selected destinations/attractions in Ghana, which were the top four destinations as provided by the Ghana Tourism Authority in terms of patronage (Ghana Tourism Authority, 2016). These destinations were Kakum National Park, in Central Region; Kwame Nkrumah Memorial Park, in Greater Accra; Cape Coast and Elmina Castles, all in the Central Region of Ghana.

Also, quantitative research approach and survey questionnaire were employed in the gathering of data. Through quota and convenience sampling technique, 390 respondents were selected to complete the structured questionnaires developed for the study. This study used the modified TAM model developed by Davis (1986), for measuring the perceived usefulness and perceived ease of use with respect to tourists' attitude toward the adoption of social media by destinations.

Also, the study design, study population, sample and sampling size and other relevant topics has been discussed in this chapter.

3.2 Research Design

A research design is a blueprint or comprehensive plan for conducting a study (Malhotra and Birks, 2007; Saunders, *et al.*, 2009). In order to address the underlying research questions and to empirically examine the objectives of this study, a quantitative research approach based on descriptive study was adopted. A cross-sectional study was used in the data gathering process, where questionnaires were issued to collect data from the sample on a single occasion (Malhotra and Birks, 2007; Bhattacharjee, 2012). Furthermore, tourists above 18 years from the four selected destinations were the respondents of the study.

Research Philosophy

Research philosophy is a belief concerning the way in which gathering of data about a phenomenon should be done, analysed and used. According to Saunders, *et al.* (2009), there are four types of research philosophies, these include positivism, realism, interpretivism and pragmatism. With regards to this study, the positivism method was adopted based on the nature of the research. The positivism focuses on the use of survey/experiments study and are mostly aimed at testing existing theories or testing hypothesis (Bhattacharjee, 2012).

Most often, the ideology underpinning the positivism method is established in the relationships between variables in which outcome is determined by the independent variable (Saunders, *et al.*, 2009). Also, positivism employs a deductive approach to research which starts from theory and mostly using empirical data for its analysis (Saunders, *et al.*, 2009; Bhattacharjee, 2012; Burns and Bush, 2012).

3.3 Study Population

The target population for the study were travellers of the selected attractions: Kakum National Park, Cape Coast Castle and Elmina Castle in Central Region and Kwame Nkrumah Memorial Park in Greater Accra region of Ghana who used any of the travel-related social network sites (SNSs) in the arrangements of their trips. The population (tourists/visitors) of the four selected destinations per the records of Ghana Tourism Authority as at the year 2015 were a total of 436,691 tourists comprising of Kakum National Park (183,679), Cape Coast Castle (85,898), Elmina Castles (73,830) Kwame Nkrumah Memorial Park (93,284) (Ghana Tourism Authority, 2016). Respondents were restricted to adult's travellers who were 18years and above within the selected destinations. The age limits have been set from 18 and above because the universal adult suffrage in Ghana is 18 years and above (Ghana Constitution, 1992).

3.4 Sample and Sampling Technique

3.4.1 Sample Size Determination

With respect to the travellers, the study focused on travellers who were at the selected destinations/sites during the data collection period. Respondents who fell within this criterion were selected to complete the questionnaire. A confidence interval approach proposed by Burns and Bush (2012) was adopted in the determination of the sample size. A 95% accuracy at 95% confidence level was the formula used to calculate the sample size, which is given as

$$n = \frac{Z^2(pq)}{e^2}$$

Where z represents standard error linked with the chosen level of confidence (95%); p represents

estimated variability in the population (50%); q represents $1 - p$; and e represents

acceptable error $\pm 5\%$ (desired accuracy 95%), the level of variability is estimated to be 50% in the population, which is usually used in social science research:

$$n = \frac{1.96^2(0.5 \times 0.5)}{0.05^2} = 384$$

Also, according to Saunders, *et al.*, (2009), it has been proven by statisticians that even for a population which is not normally distributed, a sample size of 30 and above will normally give a mean that is similar to a normal distribution. With respect to this, the advices given by Stutely (2003), suggested that at least 30 cases/sample can be used for statistical analysis. Therefore, the sample size considered for the study was three hundred and ninety tourists/visitors of the four selected destinations/sites. This was deemed adequate since it was above the required calculation done.

3.4.2 Sampling Technique

Quota and convenience sampling technique were used to obtain the respondents included in the data collection period of the study. Quota sampling is a form of stratified sample in which samples selection within strata are normally non-random (Saunders, *et al.*, 2009). Foremost, the various destinations were grouped into quota (Bhattacharjee, 2012) that is each selected destination was considered as a special group within the accessible population.

Secondly, table 3.1 below shows the calculated quota for each group (destination) based on the available and relevant data provided by Ghana Tourism Authority's reports in 2016. The allocation of the samples for each quota was done using proportional allocation. This allocation was adapted because, the sample should be proportional to the population of the selected destinations (Malhotra and Birks, 2007; Olofsson *et al.*, 2014). Also, convenience sampling was used to select the survey respondents within each quota. Table 3.1 below shows the sample size drawn from each of the selected destinations.

Table 3.1: Determination of Sample Size in Each Strata from the Selected Destinations

Destination	Population (Visitors)	Actual sample size for each destination (1 decimal place)
1. Kakum National Park	183,679	_____
2. Cape Coast Castle	85,898	_____
3. Elmina Castles	73,830	_____
4. Kwame Nkrumah Memorial Park	93,284	_____
Total	436,691	390 cases

Source: Author's Own calculations, (2017)

3.5 Data Collection

Quantitative data were collected via face-to-face administration of survey questionnaire. Survey involve the gathering of information from individual using structured questions called questionnaire when quantified data of a population is required (Saunders, *et al.*, 2009). Also, both primary and secondary data were used for the study. Primary data were gathered through the administration of questionnaires while articles, journals, reports, websites and books on direct marketing, business growth, social media adoption and the tourism industries were the secondary source of data used by the study. The questionnaires were written in English language and administered by the researcher and two trained fieldworkers. The average time used by respondents to complete a survey questionnaire was approximately 12minutes.

3.5.1 Development of the Instrument

The survey questionnaire comprised of four major sections. The first section contained questions that measured direct marketing, the second measured business growth, the third measured social media adoption and the last section focused on questions intended to gather tourists' demographic information. The questionnaires developed for the study used a 5-point Likert-scale from 1= Strongly Disagree to 5= Strongly Agree. The items in the survey were

adopted and modified from previous literature and the TAM model to increase the validity of the study (Quintal, *et al.*, 2010).

Social media adoption, one of the key construct of the model, has been examined in previous studies (Lee, *et al.*, 2011; Dahnil, *et al.*, 2014; Poku, *et al.*, 2014; Matikiti, 2015). In this study, social media adoption measured the various social networking sites used by customers (tourists). Also, the perceived usefulness (PU), perceived ease of use (PEOU) and attitude of user (s) which measured the effectiveness and efficiency generated from adopting social media as well as attitude towards social media adoption were considered in designing the questionnaire.

Direct marketing another construct of the study measures awareness creation, increase of sales and customer relationship building of travellers while the dependent variable (business growth), this construct measured the recommendation, brand image, social network coverage, etc., that result from the adoption of social media by destination managers in its marketing campaign efforts. Demographic information of tourists/visitors were also factored in the development of the questionnaire.

3.6 Data Analysis

The main data analysis carried out in the study used Statistics Analysis System (SAS) version 9.4. All the measurement scales were properly coded. Confirmatory factor analysis (CFA) was used to test the conceptual model that examined the mediator variable (social media adoption). Descriptive statistics and Structural equational model (SEM) were also, run. The reliability and validity of the constructs in the study was tested using Cronbach alpha and Average variance extract (AVE) respectively. Reliability according to Malhotra and Birks (2007), is reported as a coefficient ranging from 0.00 (low) + 1.00 (high). He added that when the Cronbach alpha is 0.70 and above it is considered sufficient for most studies. Structural

equation modelling (SEM), is popularly used in social science study for measuring mediating variables (Gunzler, *et al.*, 2013). The researcher used a maximum likelihood to estimate the coefficients in SEM, which according to Baum (2016), is an appropriate way of handling complex data in a low-structure situation. Maximum likelihood is appropriate in that it gives minimum variance and unbiased estimators as the sample size increases (Chumney, 2012).

3.7 Brief Description of Study Area

3.7.1 Kakum National Park

The Kakum National Park is situated in Twifo Heman in the Central region of Ghana and was established in the year 1931 as a reserve by the initiative of the local people (Monney and Dakwa, 2014). The park covers an area of about 360 km² of rainforest which was gazetted into a national park under the protection of Wildlife Division of Ghana in the year 1992 (Amuquandoh, 2017). The park consists of two reserves, The Kakum National Park and Assin Attandanso Forest Reserve. The park is known for its Canopy Walkway which passes over seven bridges and runs over 330m length and also one of the ecotourism destinations in Ghana (Monney and Dakwa, 2014). Farming is the major occupation in the fringe communities“ due to microclimate suitability.

3.7.2 Cape Coast Castle

Cape Coast Castle is the largest of the castles, beside Elmina castle, built to serve as a trade lodge (fort) for the Portuguese in 1653. As at 1660, the Dutch captured the fort and finally, the British fleet in those time conquered the Dutch in 1665 and took over the fort (National Commission on Culture, 2017). The British upgraded the fort into a castle in the year 1700 in the then Gold Coast. The castle was modified in the year 1957 under the protection of National Commission on Culture/Ghana Museums and Monuments Board. The building is one of the designated World Heritage Site by UNESCO (Ghana Museums & Monuments Board, 2013).

3.7.3 Elmina Castle

In 1482, the Portuguese established Elmina castle which was then called Sao Jorge da Mina (St. George of the Mine) in the then Gold Coast - now Ghana. This castle was the foremost trading post erected on the Gulf of Guinea, which makes it the first European building in the south of the Sahara (National Commission on Culture, 2017). It is located 10km west of Cape Coast in the township of Elmina, a 97,000 square feet fortification. This castle became one of the most significant stops on the route of the Atlantic slave trade (ibid). Currently UNESCO recognised this castle as a World Heritage Site (Ghana Museums & Monuments Board, 2013) in Ghana.

3.7.4 Kwame Nkrumah Mausoleum and Memorial Park

Kwame Nkrumah Mausoleum and Memorial Park is situated at the centre of Accra. It was established in memory of Osagyefo Doctor Kwame Nkrumah, the first president of Ghana and was erected on a former British polo field, where Nkrumah professed the independence of Ghana in 1957 (Ghana Museums & Monuments Board, 2013). The park is made up of five acres of land which holds a museum tracing Nkrumah's life. Mostly the celebration of Independence Anniversary on 6 March and the Emancipation Day celebration on the 1st August are regularly held on this park (ibid).

CHAPTER FOUR

DATA PRESENTATION, ANALYSES AND DISCUSSION

4.1 Introduction

This chapter presents the data and discusses the results from the empirical analysis of the study. To achieve the objectives and answer the research question underpinning the study, the analysis is presented under these sub-headings: (i) demographic characteristics of respondents, (ii) descriptive statistics of the sample (iii) the Confirmatory Factor Analysis and (iv) Structural equation model (SEM) were used to determine the path analysis underpinning the developed model of the study.

The overall response rate for the study was 77%. The study revealed that in spite of the varying customer responses with respect to social media adoption, the respondents from all the selected destinations perceived that the adoption of social media is useful, easy and have a positive attitude towards it.

4.2 Demographic Characteristics of the Study Respondents

4.2.1 The Gender of Respondents

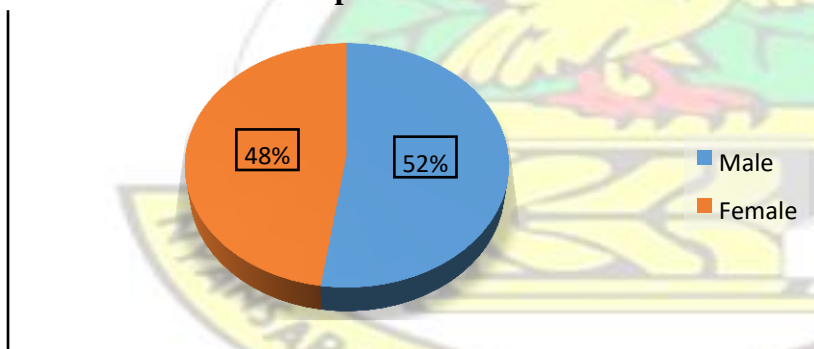


Figure 4.1: Gender of Respondents

Source: Field Survey, (2017)

From Figure 4.1, it revealed that 48% of the respondents were female whilst 52% of the respondents were male, indicating that, the number of males who visits the selected destinations

were marginally above that of the females. This outcome confirms the report of Ghana Tourism Authority (2010), that most arrivals into the country were males.

4.2.2 Age of Respondents

Table 4.1: Age of Respondents

Age of respondent	Frequency	Percentage (%)
20 years old and below	38	12.67
21-30 years old	134	44.67
31- 40 years old	96	32.00
41-50 years old	20	6.67
Above 50 years old	12	4.00

Source: Field Survey, (2017)

With regards to age of respondents, from Table 4.1, it revealed that majority of the respondents were within 21 to 30 years age brackets representing approximately 45%, which according to Khoshpakhyants and Vidishcheva (2010), the youth are mostly attracted to destination as compared to the other age brackets among respondents. With the least represented by the age group above 50 years, representing 4% of the total respondents.

4.2.3 Highest Educational Level of Respondents

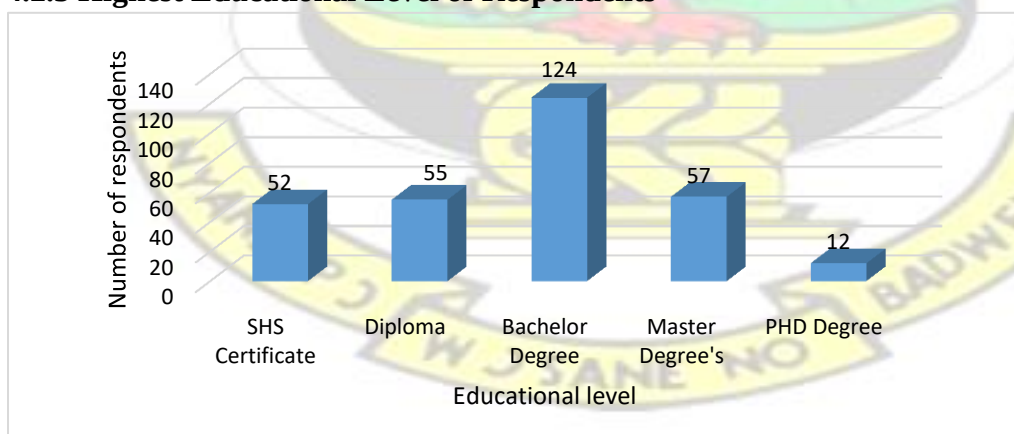


Figure 4.2: Highest Educational Level of Respondents

Source: Field Survey, (2017)

According to Guttentag (2010), educational level influence one's decision with regards to visiting a tourist attraction. The educational level of the respondents from the study reviewed that 124 representing 41.3% of the respondents' educational level were at bachelor degree while 12 representing 4.0% were PhD degree holders. This confirms the reports by Ghana Tourism Authority (2010) that, majority of tourist who visit various destinations in Ghana have some form of education.

4.3 Destinations and Purpose of Visiting

Table 4.2: Destination and Purpose of Visiting

Destinations	Purpose of Visiting the Destination				Total
	Leisure	Education	Business	Site Seeing	
Cape Coast Castle	48	25	6	25	73
Kakum National Park	44	29	8	64	113
Elmina Castle	26	24	3	27	51
Nkrumah Memorial Park	16	43	4	8	63
<u>Total</u>	<u>134</u>	<u>121</u>	<u>21</u>	<u>124</u>	<u>300</u>

Source: Field Survey, (2017)

From Table 4.2, majority of the respondents were from Kakum National Park, which affirm to the report given by the Ghana Tourism Authority (GTA) (2016) that, in terms of tourists' patronage Kakum National Park is ranked first, while Elmina Castle placed fourth among the top ten destinations in the country. With the purpose of visiting, most of the respondents agreed that, they visit the various destinations for leisure and site seeing, which refute the report given in 2016 by GTA (ibid) that majority of travellers are business travellers. For Cape Coast Castle, most of the respondents who visit came purposefully leisure whilst for Kakum National Park most of the tourist visit there for site seeing.

4.4 Direct Marketing Medium used by Travellers to Access Travel Information

Table 4.3: Medium Used and the frequency at which tourist used such Medium

	The frequency at which Tourist used the Medium	
--	--	--

Medium	Daily	Once a week	More than twice in a week	When I have to travel	Never	Total
Facebook	19	14	7	62	1	103
Blog	7	14	6	40	1	68
Twitter	4	2	0	10	0	16
Tour Websites	6	10	6	87	0	109
YouTube	4	1	5	31	0	41
Phone calls	6	5	3	42	1	57
LinkedIn	0	2	0	3	0	5
Google	3	4	4	22	0	33
Friends and Friends	3	3	1	33	0	40
Total	36	29	21	211	3	300

Source: Field Survey, (2017)

Respondents were asked to identify the medium they used to access travel-related information and it was recorded that tour websites were the highest medium they used

□n□109□. Facebook which is a social media handle was the second highest medium preferred by most of the respondents of the study. With respect to the rate at which the respondents used the medium, it revealed that 211 (more than half) of the respondents only access the medium when they have to travel. Moreover, out of that 211 respondents, 87 of them visit the various tour websites and 62 of the respondents visit Facebook whenever they have to travel. This implies that a lot of tourists visit the various destination websites and Facebook when seeking travel related information.

4.5 Descriptive Statistics of Direct Marketing, Social Media Adoption and Business Growth

The mean and the standard deviation of the variables were computed. A mean value in the range of 1 – 2.9 signify a negative response, a mean value of 3.1 to 4 signify a positive response while a mean value of 4.1 to 5 measures a very strong positive response (Sreevidya and Sunitha, 2011).

4.5.1 Descriptive Statistics of Direct Marketing (DM) Items

Table 4.4: Descriptive of Direct Marketing

Variable	Mean	Std. Dev.
Directly, marketing destinations Awareness Creation (DM1).	3.72	1.02
I easily connect with destinations who directly engage me (DM2).	3.48	1.12
I will refer destination with effective response systems to others (DM3).	3.84	0.82
I prefer other forms of direct marketing to social media marketing (DM4).	3.09	1.01
Overall	3.53	0.68

Source: Field Survey, (2017)

Awareness creation (DM1), easily connected with destinations who directly engaged me (DM2), I will refer destination with effective response system (DM3) and preferring other forms of direct marketing to social media marketing (DM4) were the used variables (4 items) for measuring the latent “direct marketing”. The overall mean and the standard deviations of the items used to measure the impact of direct marketing on tourism growth was 3.53 and a standard deviation of 0.68. Since the mean was greater than 3, which implies a positive response, hence majority of the respondents agree that direct marketing had impact on tourism.

Most of the respondents agree that direct marketing creates awareness to destinations $\bar{x}$ mean

$\bar{x}$ 3.72, sd 1.02 and they easily connect with destinations who directly engage them $\bar{x}$ mean

$\bar{x}$ 3.48, sd 1.12 .

4.5.2 Descriptive Statistics of Business Growth (BG) Variables

Table 4.5: Descriptive of Business Growth

Variable	Mean	Std. Dev.
The website of this destination (site) is visually appealing (BG1).	3.05	1.00
This destination has a wide social coverage (BG2).	3.04	1.07
I'm likely to consider this destination, when am looking for a place to visit (BG3).	3.67	0.86
I will recommend this place to some friends/others (BG4).	3.88	0.88
This destination is worth visiting (BG5).	3.57	0.93
Overall	3.44	0.70

Source: Field Survey, (2017)

Also, 5 items were created and used for the latent variable “business growth” of the selected destinations were measured with references to visually appealing website (BG1), wide social coverage of the site (BG2), possibility of revisiting the place (BG3), recommending the destinations to friends (BG4) and whether the site is worth visiting (BG5). The overall mean and the standard deviations was 3.44 and 0.70 respectively. The mean was from the interval of 3.1- 3.4 which implies that on an average, business growth of tourism was good. However, with regards to visually appealing websites and social coverage of the selected destinations, recorded the lowest mean of 3.05 and 3.04 respectively.

4.5.3 Descriptive Statistics of Social Media Adoption (SMA) Items

Table 4.6: Descriptive of Social Media Adoption

<u>Variables</u>	<u>Mean</u>	<u>Std. Dev.</u>
A. Perceived Usefulness (PU-4items)		
Using social media makes me productive (PU1).	3.25	1.18
Using social media to access travel-related information is useful to me (PU2).	3.75	0.92
Operators who adopt social media improve my travel experience (PU3).	3.64	0.95
In all social media is useful to me when it comes to travel (PU4).	3.75	0.91
B. Perceived Ease of Use (PEOU-3items)		
Social media enable me to conduct my travel-related activities with ease (PEOU1).	3.61	0.90
Information about this destination on social media are clear and understandable to me (PEOU2)	3.11	1.02
In all is easy to use social media (PEOU3)	3.90	0.89
Attitude towards Social Media Adoption (ATT-3items)		
I am positive towards destinations which adopt social media in its marketing efforts (ATT1).	3.60	0.95
It make sense to use social media (ATT2)	4.01	0.88
Destination operators should adopt social media in marketing its services (ATT3)	3.91	0.89
Overall	3.65	0.65

Source: Field Survey, (2017)

The latent variable “social media adoption” measured using 10 items developed from the TAM model-Perceived Usefulness-4items (PU), Perceived Ease of Use-3items (PEOU), Attitude towards Social Media Adoption-3items (ATT) (Matikiti, 2015). The overall mean was greater than 3.5(*mean* $\square$ 3.65, *sd* $\square$ 0.65). This implies that, the attitude of the respondents towards social media was positive. Majority of the respondents agree that if destinations adopt social media it will be useful, easy to use and have a positive attitude to it use as confirmed in previous literature (Flinck, 2011; Al-Rahimi, Othman and Musa, 2013; Leue, Dieck and Jung, 2013; Alsamydai, 2014; Dahnil *et al.*, 2014; Arkolakis, 2015; Management, Enginee and Enginee, 2015).

4.6 Confirmatory Factor Analysis

The Confirmatory factor analysis (CFA) of the three-latent variable namely direct marketing (DM), social media adoption (SMA) and business growth (BG) were ascertained in terms of path coefficients loading, variance and covariance and Cronbach Alpha and Average Variance Extracted (AVE). These measurements are used in research to access the validity and the reliability of the study.

4.6.1 Path Coefficients Estimates (loading) for Direct Marketing, Business Growth and Social Media Adoption

Table 4.7: List of Path in the Model Path Estimates

SMA → PU1	0.643	0.060	10.759	0.000
SMA → PU2	0.625	0.046	13.720	0.000
SMA → PU3	0.626	0.047	13.443	0.000
SMA → PU4	0.210	0.090	2.334	0.020
SMA → PEOU1	0.553	0.045	12.346	0.000
SMA → PEOU2	0.312	0.050	6.207	0.000
SMA → PEOU3	0.376	0.046	8.143	0.000
BG1 → PEOU2	0.214	0.061	3.510	0.000
BG2 → PEOU2	0.175	0.059	2.981	0.002

→
→
→
→
→
→
→

SMA	ATT1			0.711		0.085		8.334		0.000	
SMA	ATT2			0.422		0.047		9.024		0.000	
SMA	ATT3			0.503		0.043		11.703		0.000	
SMA	BG			0.356		0.090		3.977		0.000	
BG	BG1			0.390		0.048		8.177		0.000	
BG	BG2			0.445		0.051		8.745		0.000	
BG	BG3			0.491		0.041		11.954		0.000	
BG	BG4			0.544		0.043		12.633		0.000	
BG	BG5			0.386		0.044		8.737		0.000	
DM	SMA	0.557	0.091	6.087	0.000	DM	BG	0.592	0.120	4.931	0.000
DM	DM1			0.645		0.064		10.163		0.000	
DM	DM2			0.747		0.069		10.765		0.000	
DM	DM3			0.435		0.051		8.568		0.000	
DM	DM4			0.308		0.067		4.630		0.000	

Source: Field Survey, (2017)

Table 4.7 above shows the path coefficients estimated from PROC CALIC when using Statistical Analysis System (SAS). These path coefficients are also referred to as loading. All the estimated paths in table 4.7 were strong and statistically significant showing t-values statistically different from zero ($t > 1.96$), indicating a strong relationship between the constructs and its variables. Also, the estimated path coefficients above mean that, the corresponding variables were indicators of the factors/constructs (direct marketing, business growth and social media adoption).

4.6.2 Estimate of Variance for Direct Marketing, Business Growth and Social Media Adoption

In estimating the variance for direct marketing, business growth and social media adoption, their variance were fixed to 1 and therefore there is no significant test for their variance as shown in table 4.8 below. All other error variance estimated were significantly larger than zero ($t > 1.96$), indicating that, the factors measured do not account for all the variances of the observed variables. This shows how deterministic relationships between factors and observed variables are rare in nature.

Table 4.8: Variance Parameter for Direct Marketing, Business Growth and Social Media Adoption

Variance Type	Variable	Parameter	Estimate	Standard Error	T-Value	P-value
Exogenous Error	DM		1.00000			
	BG		1.00000			
	SMA		1.00000			
	PU1	A1	0.85401	0.07693	11.1005	0.0001
	PU2	A2	0.34452	0.03744	9.2020	0.0001
	PU3	A3	0.38819	0.03948	9.8313	0.0001
	PU4	A4	0.55522	0.09638	5.7609	0.0001
	PEOU1	A5	0.41310	0.03940	10.4852	0.0001
	PEOU2	A6	0.67110	0.05671	11.8339	0.0001
	PEOU3	A7	0.60720	0.05187	11.7053	0.0001
	ATT1	A8	0.58884	0.04337	13.5776	0.0001
	ATT2	A8	0.58884	0.04337	13.5776	0.0001
	ATT3	A9	0.44250	0.04017	11.0169	0.0001
	BG1	A10	0.73503	0.06537	11.2447	0.0001
	BG2	A11	0.79913	0.07223	11.0637	0.0001
	BG3	A12	0.32153	0.03729	8.6223	0.0001
	BG4	A13	0.26110	0.03763	6.9376	0.0001
	BG5	A14	0.60739	0.05461	11.1225	0.0001
	DM1	A15	0.62864	0.06854	9.1720	0.0001
	DM2	A16	0.70172	0.08207	8.5501	0.0001
	DM3	A17	0.47280	0.04546	10.4014	0.0001
	DM4	A18	0.92096	0.07826	11.7676	0.0001

Source: Field Survey, (2017)

4.6.3 Estimate of Covariances for Direct Marketing, Business Growth and Social Media

Adoption

Source: Field Survey, (2017)

Also, table 4.9 above shows the covariance for the 3 main constructs of the study. The covariance estimate is mostly used in confirmatory factor model to show the estimated correlation between two latent factors the reason is that the variances of the factors were fixed to one. From table 4.9, with the exception of PEOU2 which had t-value less than the recommended value ($t > 1.96$), all the other variables t-values surpassed the recommended level

DM3	ATT3	Parm34					and
PU4	ATT1	Parm35	-0.14489	0.05463	-2.6520	0.0080	
Table 4.9: Covariances Among Errors							
Error of	Error of	Parameter	Estimate	Standard Error	T-Value	P-Value	
ATT3	ATT1	Parm25	0.18713	0.03167	5.9079	0.0001	
PU4	PU2	Parm26	0.10795	0.03025	3.5686	0.0004	
BG2	BG1	Parm27	0.29654	0.05315	5.5794	0.0001	
ATT3	ATT2	Parm28	0.20018	0.03193	6.2694	0.0001	
ATT2	ATT1	Parm29	0.14204	0.03366	4.2201	0.0001	
PEOU2	BG	Parm30	0.09641	0.07335	1.3144	0.1887	
PEOU3	ATT2	Parm31	0.17928	0.03336	5.3733	0.0001	
PU4	SMA	Parm32	0.47164	0.10439	4.5182	0.0001	
ATT1	SMA	Parm33	-0.30157	0.07814	-3.8593	0.0001	
			0.10264	0.02546	4.0314	0.0001	

were significant. This implies that, a high and significant correlation/relationship exist between the constructs.

Also, Cronbach Alpha and Average Variance Extracted (AVE) were measured. With regards to Gunzler, *et al.*, (2013); Poku, *et al.*, (2014); Baum, (2016) a Cronbach Alpha of 0.7 and above exhibit a good reliability of the measurement while Chi and Qu, (2008) added that it is generally agreed that the lower limit of 0.6 for research at the exploratory stage (Nunnally and Bernstein, 1994) is acceptable. Likewise, AVE greater than 0.5 is accepted validity of measurement (Hair, *et al.*, 2010). In evaluating the measurement of model fits for direct

marketing (DM) it was revealed that, the value of AVE was above the thresholds ($AVE = 0.61$) however for reliability test, the Cronbach alpha was slightly below the threshold ($\alpha = 0.69$). Moreover, for business growth, the value of the Cronbach alpha and AVE for this latent variable were all above the threshold of 0.7 and 0.5 respectively ($\alpha = 0.78$; $AVE = 0.79$).

Furthermore, the values of Cronbach alpha and AVE for social media adoption were also above the threshold that is ($\alpha = 0.87$; $AVE = 0.71$) respectively.

In all, the relationship between the factors of direct marketing, business growth and social media adoption and its indicators in the CFA were strong and statistically significant. The results obtained (tables 4. 7; 4.8 and 4.9) validated the factor-variable relationships.

4.7 Correlation Analysis of Direct Marketing, Business Growth and Social Media Adoption

Table 4.10: Correlation Matrix of Direct Marketing, Business Growth and Social Media Adoption

	DM	BG	SMA
DM	1		
BG	0.446**	1	
SMA	0.335**	0.474**	1

** indicates Correlation is significant at 0.01

Source: Field Survey, (2017)

Correlation matrix was performed to find out if there exist any correlation among the variables. It shown that the correlations between direct marketing and business growth was significant ($r = 0.446$; $p < 0.01$). Also, the correlation between direct marketing and social media adoption was equally significant ($r = 0.335$; $p < 0.01$). Again, the correlation between business growth and social media adoption was significant ($r = 0.474$; $p < 0.01$).

This implies that, there is a possibility that direct marketing has impact on business growth.

4.8 Fitness of the Mediation Model Proposed

In structural equational model, to ensure support for the overall confirmatory factor model, there is the need to examine the model fit statistics (Gunzler, *et al.*, 2013; Jenatabadi, 2015). Some of the indices used in examining the overall fitness of the model includes maximum likelihood chi-square, degree of freedom (DF), Standardized root mean square residual (SRMR), Adjusted goodness fit index (AGFI), Bentler comparative fit index (CFI), RMSEA (Root mean squared error of approximation) etc. However, the four popularly fit indices used in SEM are AGFI, SRMR, CFI and RMSEA. For both RMSEA and SRMR, the smaller its values the better the fit while for both AGFI and CFI, the bigger its values the better the model fit. Table 4.11 shows various fit indices generated for the overall assessment of the proposed model using SAS.

Table 4.11: Goodness Fit of the Structural Equation Model

Fit statistic	Value
Maximum Likelihood Estimation Chi-Square	294.668
Chi-Square (DF) Degree of Freedom	137
P-value of the Chi-Square	0.000
Standardized RMR (SRMR) Adjusted	0.062
GFI (AGFI)	0.871
RMSEA Estimate	0.062
Bentler Comparative Fit Index	0.927

Source: Field Survey, (2017)

The fit statistics in table 4.11 indicates that the proposed model was accept with maximum likelihood chi-square value of 294.668 at 137 degree of freedom, the p-value of the chisquare was less than 0.005, meaning the model is well fit. Also, the other fitness indices were within the acceptable level with the exception of AGFI which was slightly below it recommended level of 0.90 (SRMR = 0.06, RMSEA = 0.06, AGFI = 0.87 and CFI = 0.93). From the obtained values of SRMR, RMSEA, CFI and AGFI it can be concluded that the proposed model was supported and accepted (Jenatabadi, 2015).

4.8 Structural Equational Model

After assessing measurement quality in terms of reliability and validity, 19 items were included in testing of the proposed hypotheses for the study. SEM was employed in testing the relationship between direct marketing, business growth and social media adoption as presented in figure 3 below. Also, the results indicated an acceptable fit of the hypothesised model to the data (table 4.11).

Moreover, as proposed in the hypotheses, the results showed that direct marketing ($p = 0.000$), social media adoption ($p = 0.000$) had positive significant effects on business growth thus H1, H2, and H3 were supported (please refer to table 4.12 for further information).

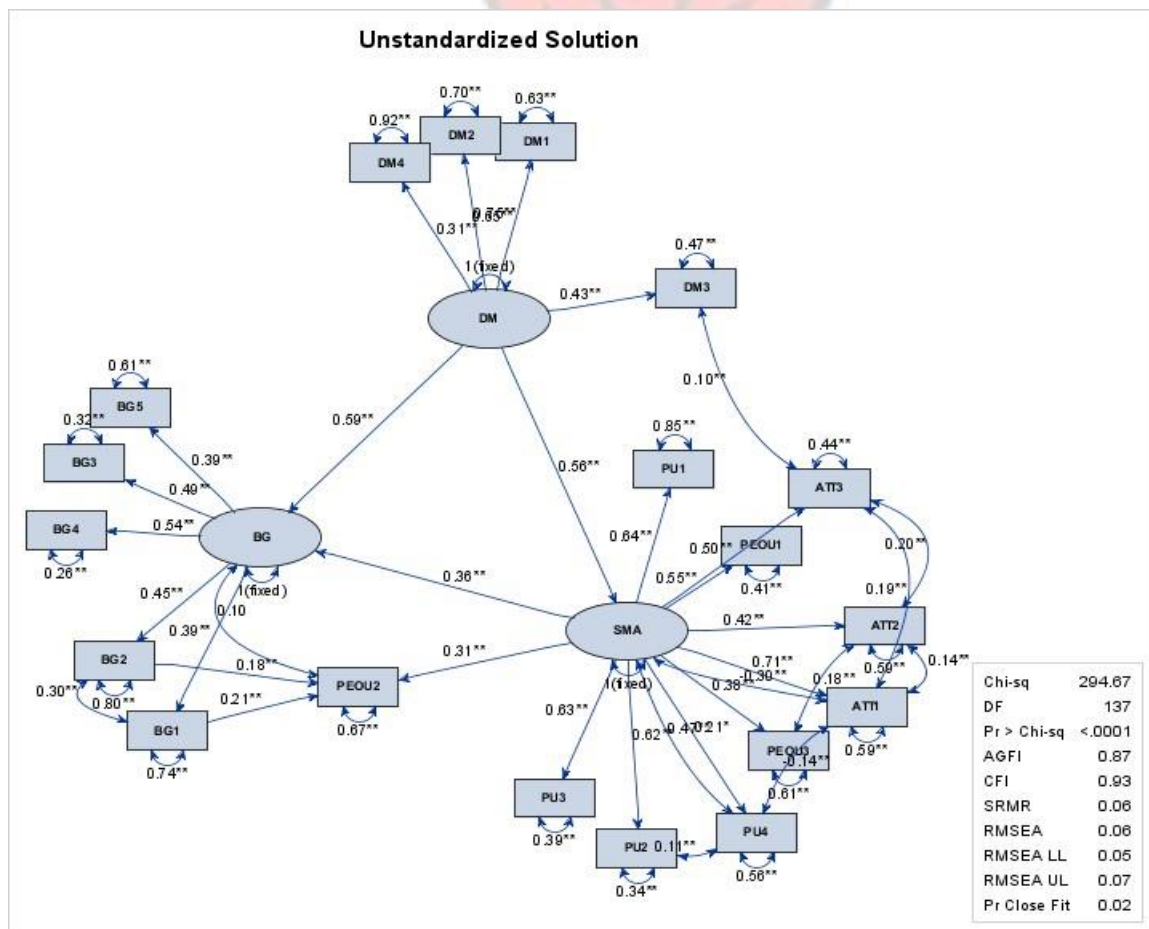


Figure 4.3 Structural Equational Model Source: Field Survey, (2017)

4.9 Hypothesis Testing

Table 4.12: Hypothesis Testing

Model	Coefficient	Std. Error	t-Value	P-value
H1: DM → BG	0.592	0.120	4.931	0.000
H2: DM → SMA	0.557	0.092	6.087	0.000
H3: SMA → BG	0.356	0.095	3.977	0.000
H4: DM → SMA → BG	0.790	0.117	6.755	0.000

Source: Field Survey, (2017)

The structural equation model was used to examine the hypothesis underpinning the study.

It was hypothesised that,

H1: direct marketing has a positive effect on business growth. Table 4.12 it was revealed that the hypothesis was accepted as the p-value of the coefficient was less than 0.05

(*coef.* = 0.592; *p* = 0.00).

Also, the second hypothesis was,

H2: direct marketing has a positive effect on social media adoption. From Table 4.12 it was revealed that there is a significant direct positive effect of direct marketing on social media adoption (*coef.* = 0.557; *p* = 0.00).

The third hypothesis proposed that:

H3: Social media adoption has a positive effect on business growth. From the above Table 4.12, it was revealed that there is a significant positive effect of social media adoption on business growth (*coeff* = 0.356; *p* = 0.00).

The final hypothesis examined that,

H4: Social media adoption has a positive effect on the relationship between direct marketing and business growth From Table 4.10 it was revealed that there exists a significant positive effect of social media adoption on the relationship between direct marketing and business growth. ($coeff = 0.790$; $p = 0.00$).

4.10 The Mediation Analysis of Social Media Adoption in the Relationship between Direct Marketing and Business Growth

In mediation analysis, the direct effect is measured by the relationship of the predictor or the independent variable (direct marketing) on the dependent variable (business growth). This relationship was measured by α as shown in figure 4.4 and table 4.13 below ($coeff. =$

0.59 ; $p = 0.00$). This indicated that, the independent variable (direct marketing) was able to explain about 59% of the changes in the dependent variable (business growth). Thus, an improvement in direct marketing activities would raise the growth of the selected destinations. This finding confirms evidence from prior studies (Lange-Faria and Elliot, 2012; Munar, *et al.*, 2017) which revealed that using effective direct marketing strategies would cause growth in businesses.

Also, the indirect effect of direct marketing on business growth through the mediator social media adoption was measured as the product of β and γ ($\beta\gamma$) that is ($0.56 * 0.36$). From both figure 4.4 and table 4.13 below, it revealed that, the indirect effects of direct marketing on business growth were positive and statistically significant ($coeff. = 0.200$; $p = 0.00$). This implies that the predictive variable (direct marketing) foremost influences the mediator (social media adoption), before the mediator influence business growth (outcome). The findings showed that the variation in business growth would be explained by the casual chain of effects (presented in figure 4.4) between direct marketing and social media adoption as well as that of social media adoption and business growth as confirmed in literature (Namazi and

Navid-Reza, 2016). The indirect effect which exist between direct marketing and business growth would be explained by the mediator, thus, 20% of the changes that occur in business growth. This finding also confirmed literature which states that the adoption of social media by businesses in their direct marketing activities contributes to its growth and success (Percy, 2008; Direct Marketing Association, 2011; Shirafkan, *et al.*, 2013).

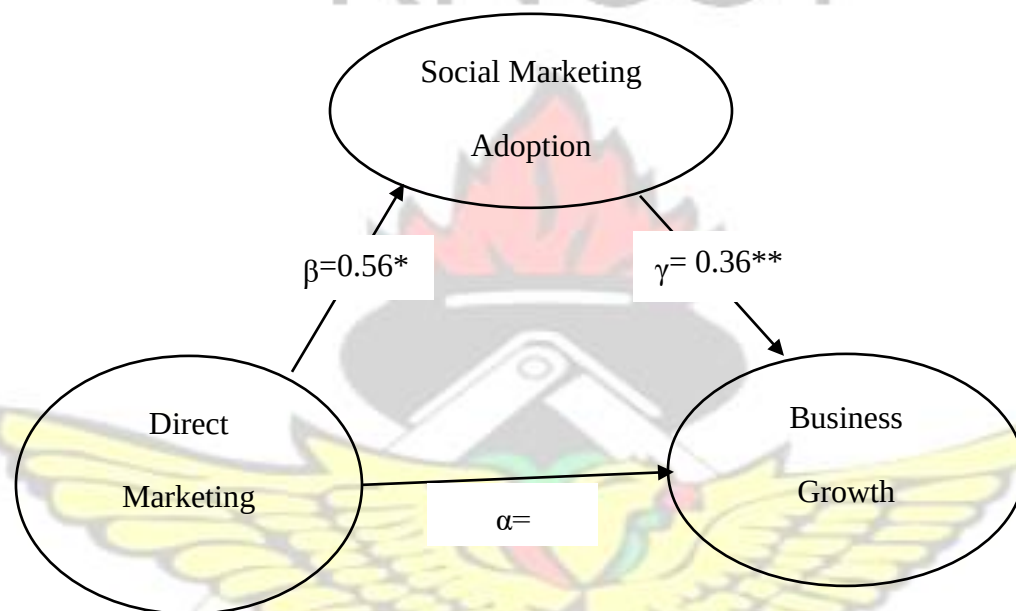


Figure 4.4: Mediating Analysis
Source: Field Survey, (2017)

Moreover, the total effect of direct marketing on business growth through the mediator variable - social media adoption was evaluated as the direct effect plus the product of the indirect effects ($\alpha + \gamma\beta$) that is $(0.59 + 0.200)$. Table 4.13 further revealed that, there is a significant total effect of direct marketing on business growth through the mediator-social media adoption ($coeff. = 0.792; p = 0.00$). Moreover, the results generated from the SEM revealed that, there is a reasonable relationship between direct marketing, social media adoption and business growth since the total effect (refer to both figure 4.4 and table 4.13) generated from the model had a coefficient of 0.79. This suggests that the independent and the mediator variables have a combined statistical significant effect on the dependent variable. Thus, the

changes in the dependent variable (business growth) can be explained by 79% improved in both direct marketing activities of the selected destinations by adopting social media in its marketing effects. Please refer to Appendix III for detailed information on the direct, indirect and total effect of direct marketing, business growth and social media adoption.

Table 4.11: Direct, Indirect and Total Effect of Direct Marketing on Business Growth through the mediator Social Media Adoption

Model	Effect	Coefficient	Std. Error	t-Value	P-value
DM → BG	Direct Effect	0.592	0.120	4.931	0.000
DM → SMA	Indirect Effect	0.557	0.092	6.087	0.000
SMA → BG	Indirect Effect	0.356	0.095	3.977	0.000
DM → SMA → BG	Total Effect	0.790	0.117	6.755	0.000

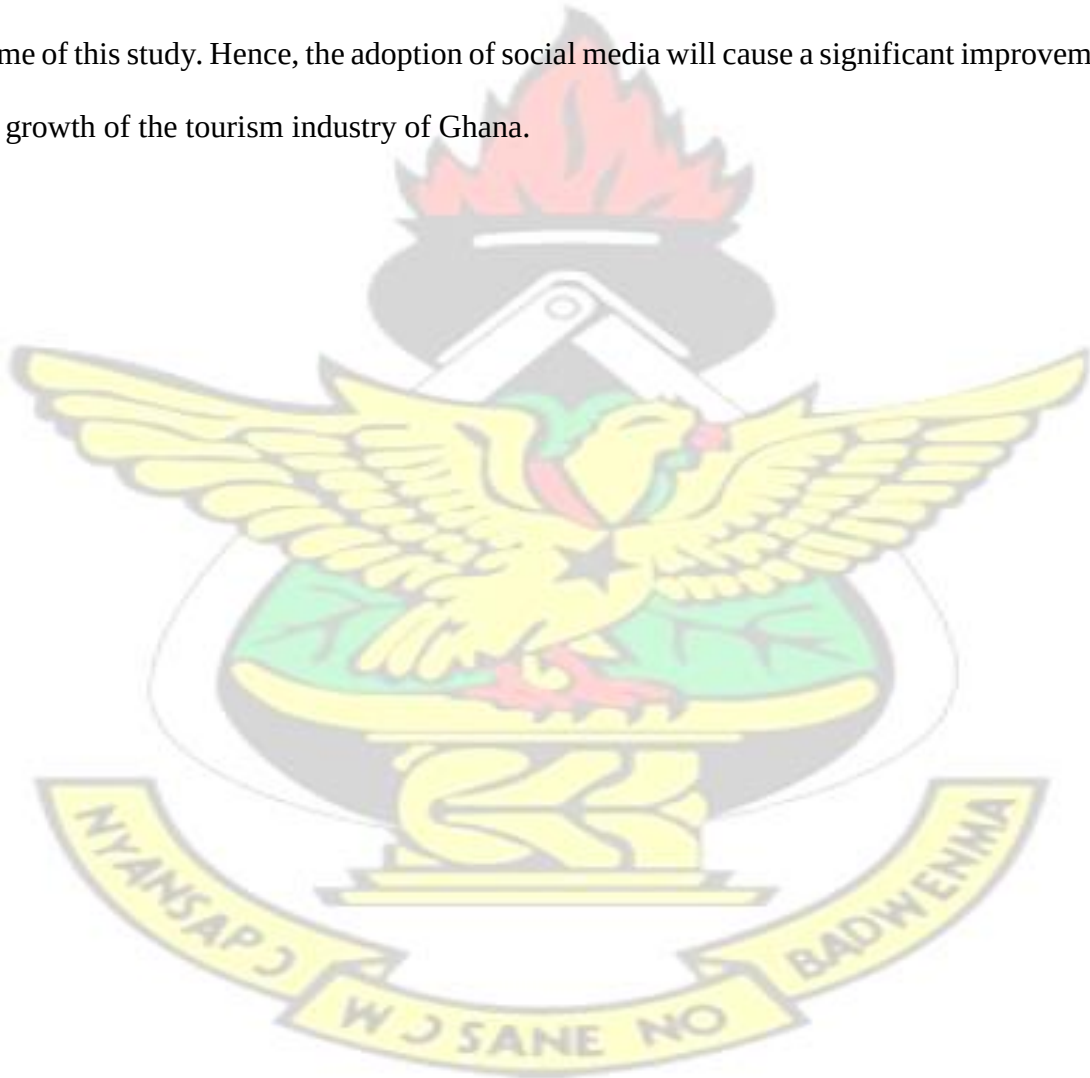
Source: Field Survey, (2017)

Moreover, in mediation analysis according to Baron and Kenny (1986); Gunzler, *et al.* (2013); Jenatabadi (2015) for a complete mediation to exist, the effect of the independent variable (direct marketing) and the dependent variable (business growth) should be 100% mediated by the intervening variable/mediator- social media adoption. This implies that after the introduction of the mediator, the path connecting direct marketing to business growth should completely be broken, so that the mediator-social media adoption has no direct effect on the outcome (business growth). In addition, the relationship between the independent variable (Direct marketing) and the dependent variable (business growth) must be insignificant whiles the other relationships (casual/indirect) remain significant in testing for full mediation. However, from the above Figure 4.4, the path diagram of the mediation model showed that the estimation for both the causal paths (indirect effects) and direct effects were statistically significant and positive.

Furthermore, from Table 4.12 above, the goodness fit of structural equation model also, revealed that the model is fit, since the results all fitness indices accepted and significant at

$p = 0.00$ level. This suggests that the independent (direct marketing) and the intervening/mediating (social media adoption) variables have a combined statistical significant on the dependent variable (business growth). Therefore, it is clear from this point that social media adoption partially mediates the path (relationship) between direct marketing and business growth.

To conclude, any action taken by the selected destination managers to employ social media handles in their direct marketing activities would yield a positive response based on the outcome of this study. Hence, the adoption of social media will cause a significant improvement in the growth of the tourism industry of Ghana.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Based on the outcome of the study, this chapter present a summary of the main findings, recommendation and conclusion generated from the field.

5.2 Summary of Findings

The study examined the impact of direct marketing on business growth in Ghana's tourism industry, with social media adoption serving as the mediator. Survey questionnaires were employed in the gathering of data from four selected destinations in Ghana for analysis. SEM analysis was conducted using SAS v.9.4 to determine the path analysis among the variables. The CFA and SEM were used in testing the proposed conceptual model. The result indicated that all the variables were significantly related to their specified latent, confirming the suggested relationships among the variables and its latent in prior reviews. All the coefficient of the variable were significant showing a significant path relationship among the variables.

5.2.1 Effect of Direct Marketing on Business Growth

The results revealed a positive and significant relationship between direct marketing and business growth. Thus, 1% increase in the effectiveness of direct marketing campaign/strategy of the selected destinations in Ghana would raise the growth of the destination by approximately 59%. This means that, the higher the effectiveness of direct marketing strategies adopted by the destinations, the higher its impact on the growth of the destinations. Furthermore, direct marketing has a positive effect on destination growth. Also, hypothesis 1 was accepted after the SEM test was ran.

5.2.2 Effect of Direct Marketing on Social Media Adoption

The finding revealed that there is a significantly direct positive effect of direct marketing on social media adoption. Thus, the adoption of social media handles by the destinations in directly marketing its services would improve the overall performance in the tourism sector.

Again, $H2$ was equally accepted.

5.2.3 Effect of Social Media Adoption on Business Growth

Moreover, the findings revealed that there is a significant positive effect of social media adoption on business growth, this confirmed $H3$. This indicate that travellers of the selected destinations perceived that management of the various destinations can enhance their travel experience by adopting social media in its marketing activities. The results showed that in so doing, the growth of the destinations would be positively affected.

5.2.4 The Mediating Role of Social Media Adoption in the Relationship between Direct Marketing and Business Growth

Finally, the findings of the study revealed that there exists a significant positive effect of social media adoption on the relationship between direct marketing and business growth implying that $H4$ was also accepted. Besides, after testing for mediation, the study revealed that there exists significant casual chain of effects between direct marketing and business growth through the mediator (social media adoption). Hence, social media adoption partially mediates the proposed mediation model after SEM was ran.

5.3 Conclusion

The results generally revealed that direct marketing has a positive and significant impact on business growth and that social media adoption has approximately 20% effect on this relationship. It also indicated that social media adoption has a positive and significant effect on business growth.

In all, the study revealed that when other direct marketing strategies are combined with the adoption of social media handles, this will enhance the growth of the selected destinations and the tourism industry as a whole.

5.4 Recommendation

Based on the findings and conclusion derived from the study, it is clear that social media adoption plays essential role in achieving business growth in the tourism sector of Ghana. Based on that, the following recommendation were suggested to the various stakeholder of the sector.

- a. Tourism destination managers should make a conscious effort to build and improve upon its marketing efforts by leveraging on the various channels of direct marketing to improve the image and growth of the tourism industry of Ghana. In that, the study revealed that travellers normally access travel related information by using tour websites of various destinations or uses social media handle especially Facebook. Therefore, destination managers should also sign up to some of the social media platforms especially Facebook and upload valuable information about their destinations to enhance the expectations and experiences derived by travellers.
- b. Also, in order for effective utilisation of direct marketing and social media adoption concept in practicality, it is recommended that destination managers can create a link on the destination's website to its social media handles in order to facilitate relationship and database building which is the foundation of effective direct marketing practises. This can be done effectively if professional social media employees are employed to manage these medium.
- c. Last but not the least, the study is conducted in summer, thus the findings are limited to summer travelers and further studies can be conducted to assess and analyse this

study in different seasons as well as further study can also, conduct similar study from the managerial perspective.

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Appendix I: Questionnaires for Customers

I am a student of Kwame Nkrumah University of Science and Technology, pursuing MPhil. in Marketing. This questionnaire is designed to solicit information for a research which aims to examine the **“Impact of Direct Marketing on Business Growth in Ghana’s Tourism Industry. The Mediating Role of Social Media Adoption”**. In partial fulfilment of the requirement for the award of an MPhil. Degree, I would be most grateful if you could spare a

few minutes to complete this questionnaire to help me complete the requirements in the above-named institution.

Disclaimer: Kindly note that all information provided will be confidentially treated and used for academic purposes only.

INSTRUCTIONS:

Please tick [✓] or provide appropriate answer where applicable

SECTION 1: DIRECT MARKETING

1. Current Site

- ☐ Cape Coast Castle ☐ Kwame Nkrumah Memorial Park
☐ Kakum National Park ☐ Elmina Castle

2. What medium do you use to access travel-related information?

- ☐ Facebook ☐ Blogs ☐ Twitter
☐ Visit Tour Operators Websites ☐ YouTube ☐ Phone calls
☐ LinkedIn ☐ Other reasons, please specify.....

3. How often do you access travel-related information using the medium selected in question 2?

- ☐ Daily ☐ Once a week ☐ More than twice in a week
☐ When I have to travel ☐ Never

4. What motivate you to use any of the travel-related site (social media platforms like facebook, whatsapp, twitter, YouTube etc) in accessing information about a place/ destination? **Please tick as many as applicable to you**

- ☐ Convenient ☐ Reliable medium for information generation
☐ Available everywhere ☐ Easy ☐ Fast ☐ Interactive
☐ Private ☐ Other reasons, please specify.....

5. What medium would you prefer Destination Managers use to communicate travel-related activities to you? **Please tick as many as applicable to you.**

- ☐ Facebook ☐ Their Website ☐ Twitter ☐ Emails
☐ Blogs ☐ Online Television ☐ Phone calls
☐ Voicemail ☐ Catalogs ☐ LinkedIn ☐ Instagram
☐ Others, please specify.....

6. What is the purpose of using social media platform? **Please tick as many as applicable to you.**

- ☐ For information ☐ Connecting with friends and family

☐ Debating

☐ Socializing

☐ Exchanging of views about products/service ☐ Updating of profile ☐

☐ For online offers and discounts on products/ services

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
7. Directly marketing destinations create awareness.	☐	☐	☐	☐	☐
8. When I want to travel, I easily connect with destinations who directly engage me.	☐	☐	☐	☐	☐
9. I refer destinations with effective response systems to others.	☐	☐	☐	☐	☐
10. I prefer other forms of direct marketing to social media marketing	☐	☐	☐	☐	☐

SECTION 2: BUSINESS GROWTH

Please tick where applicable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
11. I often visit destination after hearing/seeing their adverts.	☐	☐	☐	☐	☐
12. The website of this destination (Site) is visually appealing.	☐	☐	☐	☐	☐
13. This destination has a wide social coverage/reach.	☐	☐	☐	☐	☐
14. I'm likely to consider this destination, when am looking for a place to visit.	☐	☐	☐	☐	☐
15. Is likely I would recommend this place to some friend/others.	☐	☐	☐	☐	☐
16. This destination is worth visiting.	☐	☐	☐	☐	☐

SECTION 3: SOCIAL MEDIA ADOPTION

Please tick where applicable

Perceived Usefulness (PU)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
17. Using social media makes me productive.	☐	☐	☐	☐	☐
18. Using social media to access travelrelated information is useful to me.	☐	☐	☐	☐	☐
19. Operators who adopt social media improve my travel experience.	☐	☐	☐	☐	☐

20. In all social media is useful to me when it comes to travel.	☐	☐	☐	☐	☐
Pereived Ease of Use (PEOU)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
21. Social media enable me to conduct my travel-related activities with ease.	☐	☐	☐	☐	☐
22. Information about this destination on social media are clear and understandable to me.	☐	☐	☐	☐	☐
23. In all is easy to use social media.	☐	☐	☐	☐	☐
Attitude towards Socia Media Adoption	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
24. I am positive towards destinations which adopt social media in its marketing efforts.	☐	☐	☐	☐	☐
25. It make sense to use social media.	☐	☐	☐	☐	☐
26. Destination operators should adopt social media in marketing its services.	☐	☐	☐	☐	☐

SECTION 4: DEMOGRAPHICS

27. What is your gender?

☐ Male ☐ Female

28. Which of the age bracket do you belong to?

☐ 20-years old and below ☐ 21-30 years old ☐ 31-40 years old

☐ 41-50 years old ☐ Above 50 years old

29. What is the highest educational level you have attained?

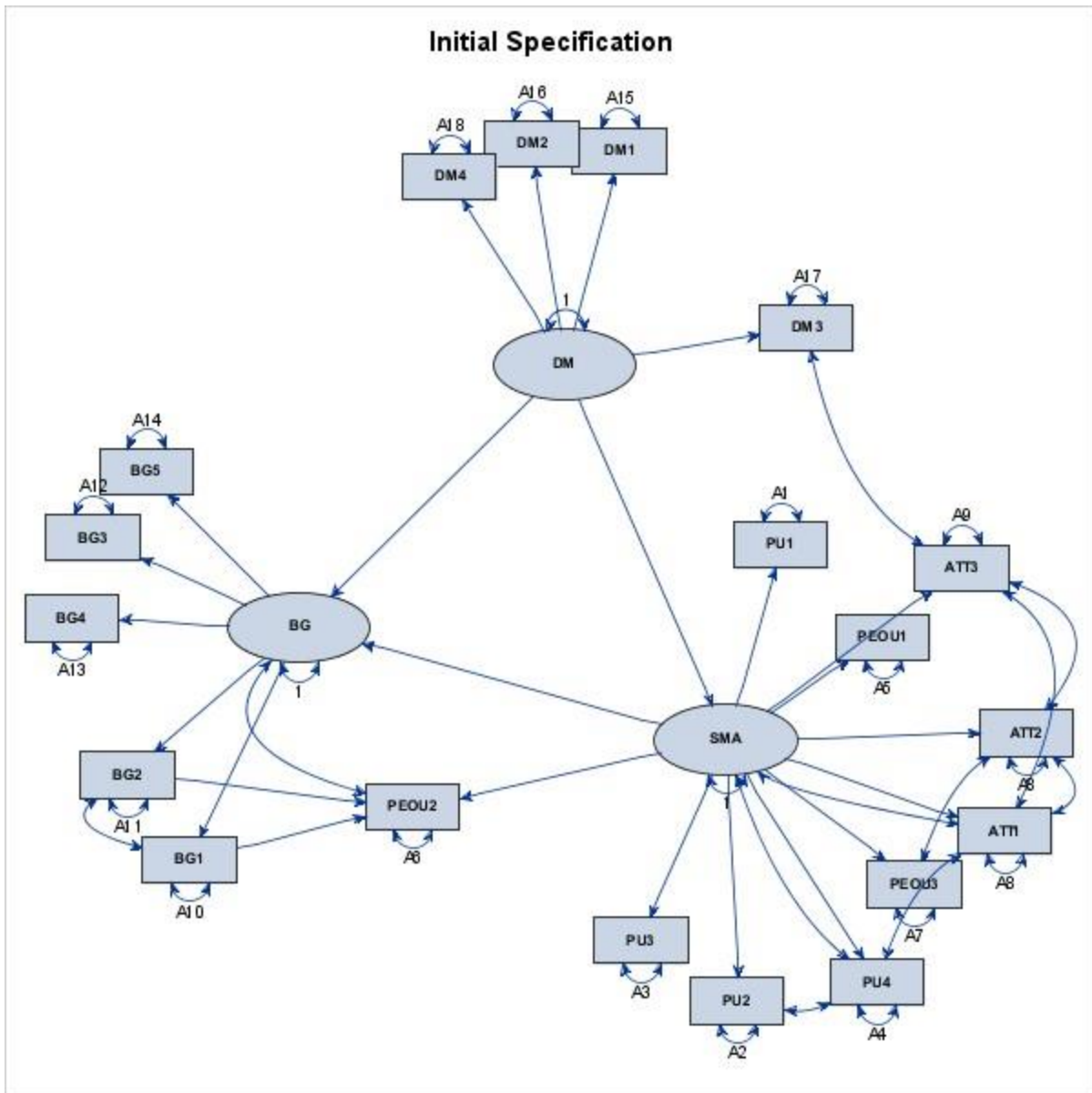
☐ SHS Certificate ☐ Diploma ☐ Bachelor Degree

☐ Master's Degree ☐ PHD Degree

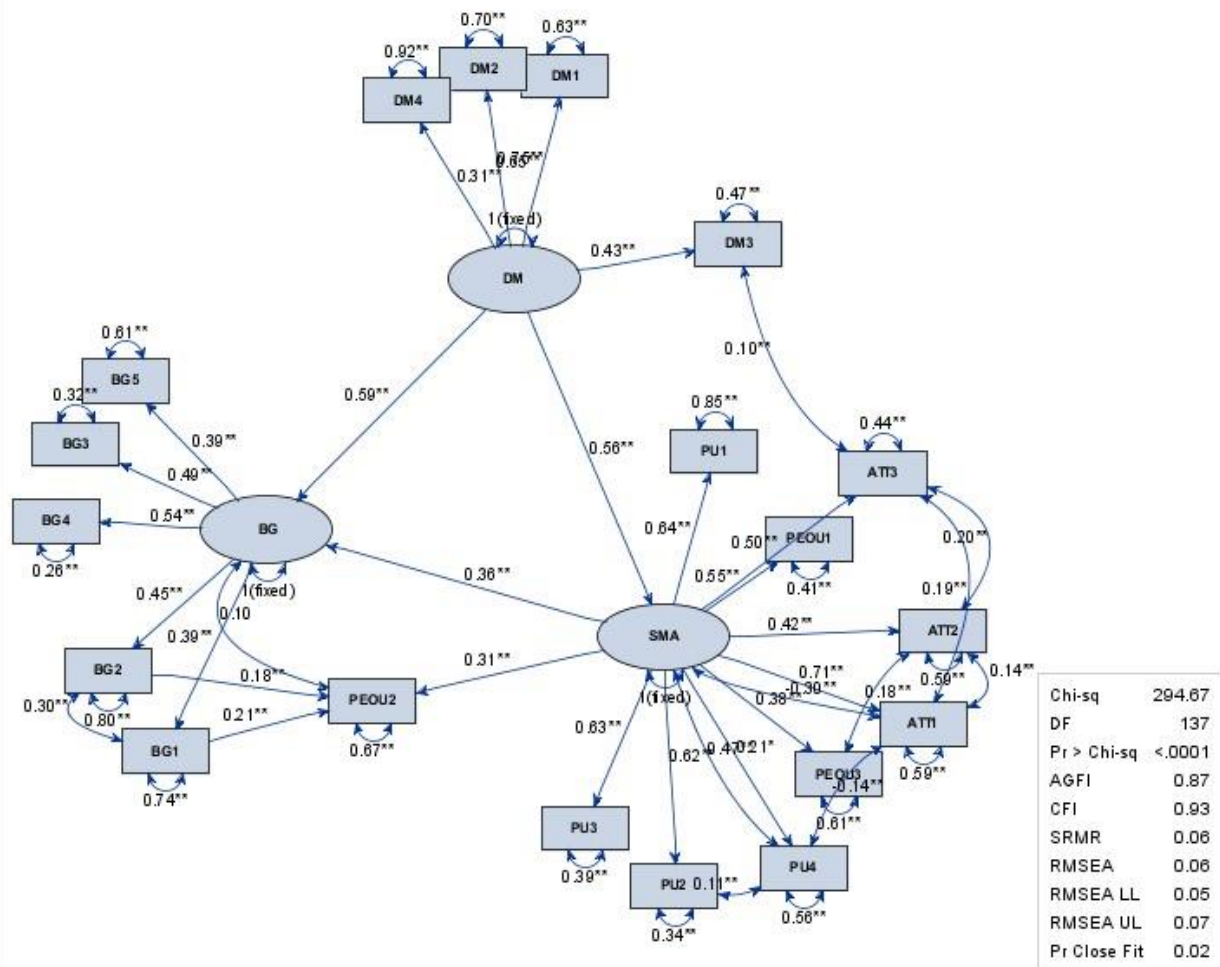
Thank you so much for your warm reception, time and effort. I am most grateful.

Enjoy the rest of your day!

Appendix: II Path Analysis Diagram



Unstandardized Solution



Appendix III: Total, Direct and Indirect Effect for Direct Marketing, Social Media Adoption and Business Growth

The SAS System

The CALIS Procedure
Covariance Structure Analysis: Maximum Likelihood Estimation

Direct Effects					
Effect / Std Error / t Value / p Value					
	BG1	BG2	BG	SMA	DM
ATT1	0	0	0	0.7104 0.0852 8.3347 <.0001	0
ATT2	0	0	0	0.4217 0.0467 9.0244 <.0001	0
ATT3	0	0	0	0.5034 0.0430 11.7034 <.0001	0
BG1	0	0	0.3903 0.0477 8.1767 <.0001	0	0
BG2	0	0	0.4454 0.0509 8.7452 <.0001	0	0
BG3	0	0	0.4915 0.0411 11.9536 <.0001	0	0
BG4	0	0	0.5444 0.0431 12.6334 <.0001	0	0
BG5	0	0	0.3859 0.0442 8.7368 <.0001	0	0

DM1	0	0	0	0	0.6453 0.0635 10.1628 <.0001
DM2	0	0	0	0	0.7475 0.0694 10.7653 <.0001
DM3	0	0	0	0	0.4346 0.0507 8.5676 <.0001
DM4	0	0	0	0	0.3081 0.0665 4.6297 <.0001
PEOU1	0	0	0	0.5531 0.0448 12.3462 <.0001	0
PEOU2	0.2139 0.0609 3.5099 0.000448	0.1751 0.0588 2.9808 0.002875	0	0.3119 0.0502 6.2070 <.0001	0
PEOU3	0	0	0	0.3764 0.0462 8.1431 <.0001	0
PU1	0	0	0	0.6427 0.0597 10.7594 <.0001	0
PU2	0	0	0	0.6250 0.0456 13.7200 <.0001	0
PU3	0	0	0	0.6256 0.0465 13.4426 <.0001	0
PU4	0	0	0	0.2095 0.0898 2.3337 0.0196	0

BG	0	0	0	0.3560 0.0895 3.9770 <.0001	0.5919 0.1200 4.9310 <.0001
SMA	0	0	0	0	0.5567 0.0915 6.0870 <.0001

The SAS System

The CALIS Procedure

Covariance Structure Analysis: Maximum Likelihood Estimation

Indirect Effects					
Effect / Std Error / t Value / p Value					
	BG1	BG2	BG	SMA	DM
ATT1	0	0	0	0	0.3955 0.0559 7.0758 <.0001
ATT2	0	0	0	0	0.2348 0.0406 5.7786 <.0001
ATT3	0	0	0	0	0.2802 0.0449 6.2452 <.0001

BG1	0	0	0	0.1390	0.3084
				0.0372	0.0484
				3.7404	6.3720
				0.000184	<.0001
BG2	0	0	0	0.1586	0.3520
				0.0418	0.0531
				3.7906	6.6303
				0.000150	<.0001
BG3	0	0	0	0.1750	0.3884
				0.0441	0.0500
				3.9726	7.7712
				<.0001	<.0001

BG4	0	0	0	0.1938	0.4302
				0.0483	0.0533
				4.0118	8.0758
				<.0001	<.0001
BG5	0	0	0	0.1374	0.3049
				0.0362	0.0460
				3.7901	6.6218
				0.000151	<.0001
DM1	0	0	0	0	0

DM2	0	0	0	0	0
DM3	0	0	0	0	0
DM4	0	0	0	0	0
PEOU1	0	0	0	0	0.3079 0.0475 6.4870 <.0001
PEOU2	0	0	0.1615 0.0326 4.9552 <.0001	0.0575 0.0178 3.2224 0.001271	0.3012 0.0445 6.7696 <.0001
PEOU3	0	0	0	0	0.2095 0.0377 5.5553 <.0001
PU1	0	0	0	0	0.3578 0.0575 6.2194 <.0001

PU2	0	0	0	0	0.3479 0.0522 6.6679 <.0001
PU3	0	0	0	0	0.3483 0.0525 6.6341 <.0001
PU4	0	0	0	0	0.1166 0.0611 1.9091 0.0563
BG	0	0	0	0	0.1982 0.0509 3.8932 <.0001
SMA	0	0	0	0	0