PERCEIVED BENEFITS AND MANAGEMENT COMMITMENT TO E-BUSINESS USAGE IN SELECTED GHANAIAN TOURISM FIRMS

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ABSTRACT
We set out in this article to generate a preliminary understanding of the benefits of e-business to tourism firm players in Ghana. We also sought to ascertain the commitment of top management to e-business development in Ghanaian tourist firms. We investigate our research issues by surveying 60 tourism firms. Of the 60 questionnaires we administered, 43 were deemed usable and we report our findings by means of descriptive statistics. We find that in conformance with the theory of planned behaviour, top management commitment, perceived strategic value of e-business and organizational readiness are critical to e-business adoption. In spite of the fact that e-business holds the promise of delivering benefits to Ghana tourism firms, their understanding of e-business/ICT still remains at an operational level. The value of this study lies in the fact that it is one of the few studies focussing on e-business adoption in the West African tourism sector, in spite of the growing importance of this sector.

Keywords: Tourism, E-business, Ghana

1. E-BUSINESS IN THE GLOBAL TOURISM SECTOR
Tourism has been one of the fastest growing industries the world over. According to the UNWTO, Africa has, for two years in a row; been voted the fastest growing continent for tourism (AfricaNews, 31 January 2007). In the past 30 years, the tourism industry has been influenced by three major waves of information and communication technologies (ICT): the Computer Reservation System (CRS) in the ‘70s, the Global Distribution System (GDS) in the ‘80s and the Internet from the mid ‘90s onwards. The Internet seems to have had the strongest impact on the tourism sector (The European Union E-Business Market Watch, 2004). ICT and Internet usage research in respect of the tourism industry has been conducted from both the user (see Law, Leung and Wong, 2004) and the tourism provider perspectives (see Buhalis and Main, 1998; Anckar and Walden, 2001; Raymond, 2001, Law and Jogaratnam, 2005).

It would seem that the tourism industry has been fairly proactive regarding the adoption of new technologies (e.g. global distribution systems). Recent advances in telecommunications, networking databases, data processing and electronic marketing provide many new opportunities for tourism businesses and are significantly impacting on traditional tourism business models. The use of information and communications technology (ICT) adds value to tourism services and products and supports the development of industry networks and clusters. ICT/E-business has the ability to impact the whole tourism value chain (e.g. information on destination, accommodation, transportation, package tours and services) and affect process management and service delivery in the global tourism sector.

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The adoption of ICT in the tourism industry is transforming the role played by tourism actors such as travel agents, tour operators, conference organizers and booking agents. ICT systems provide detailed up-to-date information on the availability and prices of products and could also contribute to increased sales volume and profits. The application of ICT in the tourism industry is inevitably leading to a process of disintermediation and contributing to industry restructuring and innovation. This paper sets out to explore in a preliminary fashion, the uses to which players in Ghana’s tourism sector are putting e-business/ICT. The first section of the paper highlights the importance of e-business in the global tourism sector, whilst the second section of the paper stresses the increasingly pivotal role of tourism in improving the economic fortunes of Africa. Section three of the paper discusses the potential for e-business development in Ghana’s tourism sector. Sections four, five and six introduce the study objectives, theoretical approach to e-business adoption, and methodology adopted for the study; whilst sections seven and eight close out the paper appropriately with the presentation and discussion of the study findings, as well as indications for future research.

2. TOURISM AS AN AFRICAN AND GHANAIAN GROWTH CATALYST

All across the African continent, it would seem that tourism is perceived to be a major economic growth enabler. Countries like Kenya, Tanzania, the Gambia, Egypt and several other African countries have long thrived on the economic gains made from the tourist trade. The Sunday Times of South Africa noted that South African tourism industry saw a 19.7% year-on-year increase in the 2nd quarter of 2005 in total foreign direct spending. The same report noted that the South African government is targeting 7 million foreign visitors (tourists) in 2006; and more profoundly that whilst South African gold mines generate $5 billion in revenue, tourism generates $8 billion in revenues (The Sunday Times (SA), 20 December, 2005).

In a country like Ghana, there have been several announcements by policy makers on how Ghana intends to improve its international competitiveness and economic fortunes using tourism as a central catalyst. Tourism has been identified as one of the three most important socio-economic activities and the fastest growing sector of the economy. Tourism has become the 3rd foreign exchange earner for Ghana after the traditional exports of cocoa and gold. It contributes over 16% of annual total foreign exchange revenue. From 1992 to 2002 tourists arrivals in Ghana increased from 213,316 to 482,643 with a corresponding increase in receipts of 166 million US Dollars to 519.57 million US Dollars in 2002 (www.ghanatourism.gov.gh). Based on this trend the Ministry of Tourism and Modernization of the Capital City (MOTMCC) has projected tourism arrivals of 1 million with accompanying receipts of 1.5 billion US Dollars and 300,000 jobs to be created by 2007; Five-Year Tourism Action Plan (www.ghanatourism.gov.gh). With the exception of a few multinational businesses in Ghana’s hotel sub-sector, and a few travel and tour agencies, all tourism enterprises in Ghana are small and medium enterprises (SMEs). The prevalence of SMEs in Ghana’s tourism sector is consistent with Dieke (2003) who observes that the African tourism sector is mainly populated by small and medium enterprises.

There are several examples of public and private sector initiatives in Africa that are specially geared towards attracting more tourist visitors to Africa. In a pre-research chat with Pak Wo Shum, CEO of Travel King (Ghana’s leading corporate travel provider), he acknowledged the importance of tourism to Africa’s development and noted that one of the key success factors for companies operating in the tourism sector is the ability to increasingly incorporate electronic practices into the management of their tourism business. It is no secret
that globally, the major players in the international tourism business are increasingly technology based and engage in a fair amount of electronic business in order to meet their corporate and strategic goal. E-business in the tourism sector is important because it has the potential of improving the productivity of firms operating in the tourism sector. Given the importance of e-business to Ghana’s tourism sector, the study seeks to investigate in an exploratory fashion, issues surrounding e-business practices among Ghanaian tourism firms.

3. TOURISM IN GHANA AND THE POTENTIAL FOR E-BUSINESS DEVELOPMENT

For the purposes of this study, we will adopt the e-business definition of Hinson and Sorenson (2006). E-business in this study will therefore be taken to mean the “use of information and communications technologies in all activities of a firm both internally and in relation to its outside partners”. E-business is also defined by Hinson and Sorenson (2006) as “the application of information and communication technologies (in online and offline format) to execute or facilitate the execution of organisational functions like financial management, marketing management, strategy leverage, production management, information systems, logistic management, customer relationship management, and human resources management”. In relation to the use of ICTs in creating business value, electronic commerce (e-commerce) is also considered as being synonymous to the term e-business. E-commerce is defined as the “sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunications networks” (Zwass, 1996). These conceptualisations underpin the use of these terminologies in this research study.

The tourism industry in Ghana consists of many companies dabbling in various activities, ranging from tour operators to cafés and restaurants. The companies include SMEs and the types of enterprises that comprise the tourism industry are: (1) tour operators (2) travel agents (3) tourist guide services (4) airlines (5) transportation bureaux (6) restaurants and cafés (7) hotels and guesthouses (8) museums and historical sites and buildings (9) sports and recreational sport services (10) nature reserve services; (11) tourism education and training institutions; (12) local tourist offices (13) craft industries (The European E-business Market Watch, 2004). It is important to note that even though these classifications are essentially European, they mirror the Ghanaian tourism situation. Within the discourse on the information society and the e-economy, ICTs are seen as major tools with the potential to fundamentally change business behaviour and company strategies. The Internet has provided a new economic environment in which virtual business can be conducted. Many tourism businesses could develop their Internet capacities and benefit from the tremendous potential the Internet offers.

4. THE RESEARCH GAP AND STUDY OBJECTIVES

The WTO in Africa Report, 1996-2003 (www.world-tourism.org) states on page 2 that:

“Africa, with an estimated 29 million arrivals in 2002, is expected to increase its market share from 2.5% to 5.0% by 2020, representing an increase of 48 million in absolute terms. It is therefore up to Africa to ride this upward trend and to maximize economic benefits of tourism by diversifying its tourism products and concentrating even more on developing ecotourism, multiplying community-based tourism development projects, and making better use of new information and communication technologies, which have become essential in today’s world”.

The Electronic Journal on Information Systems in Developing Countries
http://www.ejisdc.org
The importance of ICTs, e-business, e-commerce, and Internet applications in improving tourism productivity cannot be emphasized. E-business and technology research carried out in respect of the tourism has included work carried out in the United Kingdom (Wood, 2001), United States (Tierney 2000), Taiwan (Wan, 2002), Canada (Hudson and Lang, 2001) and Greece (Vrana and Zafiropolous, 2006). Internet and e-business that relates to the tourism industry has also been conducted from a strategic perspective research (Buhalís, 1998 and Baines, 1998) and from a value chain perspective (Wynne et al., 2001).

Research on e-business technology and Internet applications focussing specifically on West Africa have focussed on the exporting sector (see Hinson and Sorensen, 2006; Hinson 2005, Hinson and Abor, 2005), the education sector (see Hinson and Amidu, 2006; Hinson 2006) banking sector (see Hinson, Ofori and Ayitiah, 2006; Hinson and Abor, 2004) and from ecommerce perspective (Saffu et al., 2006). Research on e-business/online activities of African countries and African tourism operators has been carried out by scholars like Mzumbe, 2005; Opoku and Hinson, 2006; and Wagner and Van Belle, 2005. No research has been carried out to date that focuses on Internet/E-business practices in Ghana’s tourism sector; and therefore this exploratory study is positioned to begin to fill that gap.

The objectives of this study are therefore threefold:

a) an ascertainment of top management commitment to e-business development by tourism firms in Ghana
b) an ascertainment of the perceived e-business benefits by tourism in Ghana’s tourism industry
c) e-business usage levels in Ghana’s tourism sector

5. THEORETICAL APPROACH TO E-BUSINESS ADOPTION

In a review of literature on e-commerce in developing countries, Boateng and Hinson (2007) identify three major theories; diffusion of innovation, theory of planned behaviour, and theory of reasoned action as the underpinning theories of quite a number of adoption and diffusion theoretical frameworks research models (Ure, 2002; Al Sukkar and Hasan, 2005) employed in these studies. With regards to the hospitality sub-sector of tourism, Kamel and Hussien (2004) used the diffusion of innovation (DOI) theory alongside the Technology Acceptance Model (TAM) TAM has been applied to evaluate the introduction of the Internet as a platform for business development in the King Hotel in Egypt. According to DOI (Rogers, 1983), the key influences of user acceptance behaviour are “relative advantage, complexity, compatibility, trialability, and observability”. TAM, on the other hand purports that, the acceptance level of any technology is fundamentally affected by the user perception of ease of use and usefulness, hence increasing the perceived ease of use (PEOU) of a technology will increase its perceived usefulness (PU) and translate into an increased behaviour intention (BI), thereby resulting in a higher margin of technology acceptance.

The study by Kamel and Hussien (2004) showed that the lack of adequate infrastructure to handle online payments limited online reservations to e-mail reservations. As incentives, like 10% discount per reservation, were incorporated to promote e-mail reservations, occupancy rates increased appreciably despite the associated risk of unfulfilled reservations. On the other hand, the introduction of online reservations stirred some resistance as the sale manager’s commission reduced. There was also a lack of the requisite human resource having the minimum English proficiency and being computer literate. Top management had to resort to implementing the online reservation system alongside the manual reservation system, the assistant manager taking charge of online reservations, and paying commissions to the sales manager, even for online reservations, for the first six
months. Though these issues had to deal with poor understanding of the benefits of integrating the Internet with the Hotel’s business processes, it brings to light that opposition to adoption that could occur when negative perceptions or unaddressed concerns of organisational members or top management exist.

The application of DOI emphasised the understanding that a single focus on e-commerce/e-business as innovation and its potential or perceived usefulness was not enough in dealing with issues arising from complexity and compatibility of e-commerce with preferred work practices and existing technology in King Hotel. The case study also highlights an example of e-commerce adoption being partly facilitated by the IT knowledge and skills of the top management, their innovativeness, and their perceived strategic value of e-commerce. These attributes underpin the explanation of innovation adoption as argued by behavioural frameworks used in studying e-commerce adoption. Grandon and Mykytyn (2004) used Ajzen’s Theory of Planned Behaviour (TPB) to develop a theory-based instrument for measuring the intention to adopt e-commerce among SMEs (in Chile). The theory, which is well-established and proven to explain and predict managers’ behavioural intentions (Mykytyn and Harrison, 1993), tends to be an extension of the Theory of Reason Action which hypothesise that “behaviour is influenced by an individual’s intention to perform to the behaviour in question” (Grandon and Mykytyn, 2004). Thus, the behaviour of adopting e-commerce (including possible institutionalisation), is influenced by the intention to utilise e-commerce. Ajzen (1991), in explaining TPB, posits that “intentions are assumed to capture the motivational factors that influence behaviour”. These factors that determine intention are the individual’s attitude toward the behaviour (A), the subjective norm (SN) and perceived behaviour control (PBC).

Attitude towards a behaviour refer to “the degree to which a person has favourable or unfavourable evaluation of the behaviour of the question” (Grandon and Mykytyn, 2004). This tends to relate to the individual’s perceptions of the behaviour, the strategic value of e-commerce and its adoption. Previous research attesting to this, have identified top management support as a key predicator in the acquisition and diffusion of innovations (Orlikowski, 1993). Top management of tourism firms would normally comprise individuals with authority to make strategic decisions (Aghaunor and Fotoh, 2006). Aghaunor and Fotoh (2006) further go on to declare that top management could develop a clear cut e-business/e-commerce vision and cascade signals to every part of the organization about the importance of e-business/e-commerce adoption. As realised in the case of King Hotel, top management involvement in understanding e-business issues is critical for the mobilization of organizational stakeholders (Epstein, 2004) in an e-business direction.

Subjective norm refers to “the perceived social pressure to perform or not to perform the behaviour” (Grandon and Mykytyn, 2004). In e-business one may consider this as pressure from competitors (directly or indirectly), social referents within the firm such as IT departments and top management, and social referents outside the firm like sector, industry or government and e-business rhetoric and debates from academics, practitioners and the media (Grandon and Pearson, 2004). With regards to this study, our concern is the benefits of e-business as perceived by firms in Ghana’s tourism industry. The use of the Internet in Ghana has also seen significant increases since the liberalisation of the telecommunication industry in 1990’s. The country had 18.1 Internet users per 1,000 people in 2005 as compared to 1/1000 Internet user in 1999 (ITU, 2007). With the restructuring of the Ministry of Tourism into the Ministry of the Tourism and Modernization of the Capital City, the use of Internet has become a critical part of the Ministry’s objective of marketing Ghana, promoting tourism activities and making Ghana’s tourism information readily available and accessible to the Ghanaian general public and the world. This is being achieved through the Ministry’s website
The website offers the functionality of an online directory of firms and institutions operating in the tourism sector, with links to their websites and an email form for making enquiries to them. This initiative is a step in the right direction, in relatively creating the social pressure to adopt e-business.

E-business deployment offers benefits to small firms in several ways. E-business is helping to foster productivity enhancement and cost reduction (Wenninger, 1999); higher customization (Choi and Winston, 2000) and improvements in organizational learning (Collins et al, 2003). Collins et al. (1993), Mitchell (2003), and Louvieris and Lockwood (2002) also emphasise that Internet access is on the rise amongst small tourism businesses; tourism businesses are using the Internet and ICT for active learning and they ultimately believe the use of online environments and flexible learning can boost opportunities for the development of e-commerce and e-business skills. However, there exists other literature which report on the benefit of e-business to tourism in contrasting terms. Scholars like Braun (2004), Danielle and Mistilis (1999), and Hollick (2003) have noted that “despite all the benefits that can be achieved by ICT, many small and micro-tourism businesses have failed to embrace ICT and the Internet”. One of the major arguments is top management’s perception of the internal organisational readiness to adopt e-business. Organisational barriers among non-adopters include the lack of technological and financial resources, the negative attitude of management (lack of their support and less risk taking propensity), and the lack of knowledge. These perceptions on the fact that there exist personal and situational impediments to the performance of the behaviour reflect the perceived behaviour control (PBC) as argued by the Azjen’s Theory of Planned Behaviour (Grandon and Mykytyn, 2004). A manager’s or top management’s intention to adopt e-business would therefore be stronger if there is a more favourable attitude (top management’s commitment) and subjective norm (perceived strategic value to the industry) with respect to the behaviour, and a greater perceived behavioural control (organisational readiness) (Azjen, 1991).

Consequently, given the critical nature of top-management commitment to e-business development, and the contrasting views of perceived benefits and usage of e-business amongst tourism firms, the focal points of this research project will be the investigation of top management commitment to e-business in Ghanaian tourism firms, organisational readiness to e-business adoption, the perceived benefits of e-business to tourism and e-business usage levels within these firms.

6. METHODOLOGY

Given the exploratory nature of this research, a small scale quantitative research design was deemed appropriate for investigating the research issues under consideration. This research was concerned with obtaining preliminary insights into top management commitment to e-business and the perceived e-business benefits amongst tourism players in Ghana. We also investigated e-business usage levels amongst the tourism firms sampled for the study. The research exercise was focussed on generating initial insights for formulating hypothesis, for a national study or practices of Ghanaian tourism operators. In a pre-research chat with the officials of the Ministry of Tourism and Diaspora Relations in Ghana, it was revealed that the major contributors to Ghana’s tourism fortunes were tourism players from the hospitality industry (including hotels, guest houses, restaurants, etc), travel and tour establishments (including land tour agencies, travel agencies, car hire services, etc) and recreational establishments (including night clubs, theme parks, marine and water base recreational facilities etc). The objectives of the research were explained to the officials of the Ministry and given the exploratory nature of the research, they were asked to recommend twenty firms.
each operating in these three tourism sectors and which were situated in the capital city of Accra. The reasons for limiting the respondents to Accra were informed by two main reasons:

a) It would have been a logistical nightmare to conduct a nation wide study and given the exploratory nature of this research; a nation wide study was deemed superfluous.

b) This research was exploratory and therefore an Accra-based study would assist in generating new ideas about construct and measurement methods for a larger quantitative oriented nationwide study of e-business practices in Ghana’s tourism sector. We adopted a convenience sampling technique.

In all, 60 tourism players were contacted to participate in the research. These 60 firms were equally chosen (20 each) from the hospitality, travel & tour and recreational establishments. All 60 questionnaires were returned, of which 43 were deemed usable. The data collection instrument was a 50 item questionnaire which was designed in line with the research objectives of the study; namely:

a) benefits of e-business to tourism operators in Ghana
b) role of top management in facilitating e-business adoption by tourism operators in Ghana

The questionnaire was pilot tested on 15 respondents (5 each from the hospitality; travel and tour; and recreational establishments). This was to ascertain the reliability as well as the generalisability of the instrument in use. Analysis of results from the pilot study indicated that the Coefficient (Cronbach) alpha reliability for the data collection instrument was .96. This confirmed that the instrument used to measure the attributes of interest were reliable. It also meant that the items in the data collection instrument were thoroughly understood by respondents. As well, the instrument could measure the constructs under study. The generalisability of the instrument was therefore confirmed. A seven-point likert scale was adopted for the questionnaires with items ranging from strongly agree to strongly disagree.

Data collection was led by the researchers in the light of the fact that they had considerable experience in Internet-related, ICT and e-business research issues. They were assisted by 30 final year (Bachelor of Science in administration) students at the University of Ghana Business School. The research assistants were schooled in the art of interviewing and data collection. To ensure the highest level of data integrity we restricted the interviews to only marketing/ICT managers in the various tourism firms because in a pre-research screening, it was ascertained that they possessed the best ability to deal with issues of e-business adoption.

7. **PRESENTATION AND DISCUSSION OF FINDINGS**

7.1 **Top Management Commitment**

Tourism organisations in Ghana mainly employ between 0-10 employees (representing 77% of the total range of employees across the various organisations). Only a few employ between 11 and 100 (14%) or 251-1000 (9%) employees as presented in Figure 1. The majority of the firms (77%) employ a maximum of 10 employees lending credence to the fact that a majority of the respondent firms were small firms.
Similarly, statistics from the Social Security and National Insurance Trust (SSNIT) reflects that, the 90% of the Ghanaian private sector companies employ less than 20 persons and are usually dominated by one person, the owner/manager who takes all major decisions. The owner/manager possesses limited formal education, has limited access to and use of new technologies, market information, and to credit from the banking sector. This lack of technical know-how and inability to acquire new skills and modern technologies tend to impede growth opportunities (Mensah, 2004).

With the challenge of doing business with limited accessibility to adequate/requisite human, technological, and financial resources and skills, the top management or owner/managers of Ghanaian tourism firms are more likely to wield a tremendous amount of influence in deciding on major investment decisions. It was therefore decided to investigate the pre-disposition of top management/managing directors (of these small tourism firms) to e-business adoption and their willingness to commit resources to e-business development.

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<td>-</td>
</tr>
<tr>
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<td>2</td>
<td>4.7</td>
</tr>
<tr>
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<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>100</td>
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Table 1: Is Top Management Agreeable to E-business Utilization?

According to Table 1, top management of Ghanaian tourism organisations agree to e-business utilization (86.1%). It appears top management tend to appreciate or have realized the benefits in utilising e-business and have therefore supported e-business deployment initiatives. 56% of these managing directors, and owner/managers in top management were also considered to be e-business ‘champions’ or advocates in their firms, see Figure 2. This was encouraging to the extent that this finding could provide a basis for total e-business use by these firms in the near future.
As earlier discussed, top management commitment to critical to the organization’s development of favourable orientation towards e-business adoption. It presupposes that the top management of firms engaged in the study may have a pre-knowledge, awareness and understanding of the application and strategic value of the Internet. Their ability to commit and ‘champion’ e-business utilization partly stems from their IT knowledge and skills of, their innovativeness, and their perceived strategic value of e-business. Cloete et al. (2002)’s study on e-commerce adoption among small businesses in the Western Province of South Africa emphasises this motivational factor, in arguing that, adoption of e-commerce was “heavily reliant on the acceptance of e-commerce by the business owner”. This acceptance was also dependent on the owner’s level of computer literacy and extent of knowledge on the application of technology in business processes. Relatively, it may also be argued that the Ghana Government’s efforts in pursuing an ICT-led socio-economic growth, the increasing network readiness of the country, and the e-business adoption by the industry’s regulator, the Ministry of Tourism Modernization of the Capital City, is having an attendant effect on the Ghanaian private sector, and more specifically to the firms in the tourism sector. The development of an e-government portal for Ghana supported by IICD (project timeframe 2002-2003); and Ghana-India Kofi Annan Centre of Excellence in ICT, which trains skills in ICT to link academia and industry supported by Government of India and Ghana (2002-2003) (NIPPDC, 2005) have relatively increased ICT awareness and knowledge and the provision of skills. Internet penetration rate, as earlier indicated, increased from 0.20 in 2001 to 1.72 in 2004 and 1.81 in 2005 per 100 people. The number of users increased from 40,000 in 2001 to 368,000 in 2004, and 401,300 in 2005. The percentage increase in users between 2001 and 2005 was 903.2 per cent (ITU, 2007), therefore reflecting the increase in Internet knowledge and usage. The attendant effect on Ghanaian tourism business may be considered at creating the subjective norm or social pressure (Azjen, 1991), which when coupled with top management commitment relatively increases the intention to adopt e-business.

7.2 Organisational Readiness

As earlier discussed, the internal organisational readiness is necessary to avoid organisational barriers, situational impediments or perceived behaviour controls to adopting e-business. Organisational attributes which may influence e-business adoption may include resource availability and investment, innovativeness, risk taking propensity, formalisation, functional differentiation, and specialisation (Damanpour, 1991). We examine two factors in this study; commitment to financial investment in e-business and commitment to e-business institutionalisation through the development and implementation of an e-business policy. These factors tend to reflect the challenges faced by Ghanaian small business – limited
accessibility to adequate/requisite human, technological, and financial resources and skills – as earlier indicated.

E-business policy is the strategic plan which identifies and stipulates the portfolio of ICT resources that will assist an organisation in executing its business plans and realizing its e-business goals. The primary objectives include aligning the Internet and other ICTs with the business objectives and processes, identifying strategic applications, forecasting and allocating resource, developing an information-architecture, and increasing the performance of organisation through e-business. The effectiveness and success of any organisational policy is by far determined by the extent of top management commitment to the policy. Most of these organisations have no policy document on e-business. From Table 2, we observe that only 18.6% have a written policy on e-business. However, it is hoped that management of these tourism firms will push towards institutionalizing e-business by beginning to develop policies to guide organizational wide e-business deployment and use.

<table>
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<tr>
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<tr>
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<td>18.6%</td>
</tr>
<tr>
<td>No</td>
<td>31</td>
<td>81.4%</td>
</tr>
<tr>
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<td>43</td>
<td>100</td>
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Table 2: Written E-business Policy

On the other hand, 72.2% of top management in Ghanaian tourism firms agree to commit financial resources to e-business development (see Table 3). The obvious question is, without an e-business policy, how are these firms going to estimate and allocate these resources and to what measures are these investments going to be assessed? The quest for answer throws light on the IT-business knowledge, and financial skills of top-management or owner/managers of Ghanaian tourism firms.

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<td>Total</td>
<td>43</td>
<td>100.0</td>
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Table 3: Top Management Agree to Commit Financial Resources to E-business Development

In a study investigating the barriers to Internet banking adoption among corporate customers, Rotchanakitumnuai and Speece (2003: 318) identified that organisational barriers among non-adopters included the lack of technological and financial resources, negative attitude of management (lack of their support and less risk taking propensity) and lack of knowledge. In One non-adopter in the study commented that:

“Our management does not have the policy to have any financial transactions via the Internet. The corporate financial system is an important system and it has its own characteristics. If we use Internet banking and have problems, it could put us in trouble”.

The case of King Hotel discussed previously, also indicated the opposition to adoption could occur when negative perceptions or unaddressed concerns of organisational members or top management exist. Though top management may demonstrate commitment
to e-business from their basic knowledge, the lack of an adequate assessment and strategic plan to address issues stemming from e-business adoption may lead to poor adoption and failure to institutionalize the innovation. Perhaps, a contributory factor to the lack of a clearly formulated e-business strategy is that, these firms tend to outsource or rely on IT consultants to develop and implement their e-business projects. This tends to compensate for the lack of internal human resources and the projects are usually designed with little supervision from the firm and/or the firm is provided with a limited functionality and knowledge for the basic management of the e-business application. However, as noted by Lederer and Sethi (1998), though experience shows that consultants can play an important role in the information systems development projects, they may not be committed to implementation results and may seek their own interests. Hence, organisations should understand clearly their motives for engaging consultants and consultants should be used to supplement and not replace internal resources.

An e-business policy facilitates the development of e-business strategies that are congruent with the organisation’s needs. Organisations stand to benefit from improved managerial understanding of the related strategic opportunities and decision making and as such, develop more innovative ways of combining online and offline business processes to compete and improve their performance. What is necessary is to determine measures that increase the internal readiness of the organisation and equip them with strategic insight to address the influences in the environment.

7.3 E-business Usage

We observe from Table 4, that a relatively significant number (51%) of tourism organizations do not have websites. The uses to which Ghanaian tourism firms put their websites to were advertising (24%) and direct marketing (18%). Websites were also used as part of a total communication strategy (14%). The least use to which websites were put was the passing out of information about the corporate brand (6%).

<table>
<thead>
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<th>Frequency</th>
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<td>Advertising</td>
<td>11</td>
</tr>
<tr>
<td>PR</td>
<td>5</td>
</tr>
<tr>
<td>Online Transaction-oriented services</td>
<td>2</td>
</tr>
<tr>
<td>Direct marketing</td>
<td>8</td>
</tr>
<tr>
<td>Display product catalogue</td>
<td>2</td>
</tr>
<tr>
<td>Information about corporate brand</td>
<td>3</td>
</tr>
<tr>
<td>Information in product brand</td>
<td>5</td>
</tr>
<tr>
<td>Strategic differentiator</td>
<td>3</td>
</tr>
<tr>
<td>As part of total communication strategy</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>43 (14%)</td>
</tr>
</tbody>
</table>

Table 4: Uses of Company’s Website

The significance of the responses to marketing communications (website for advertising, PR, direct marketing, passing out information about corporate and product brands) is that tourism firms in Ghana seem to understand that the Internet is a useful marketing communication tool, integral to getting them to establish a global presence. It was also refreshing to note that 14% of the respondents understood that having a web presence only represents part of a total marketing communications strategy. Online communications must be closely aligned with brick of mortar activities. This finding about combining online and traditional channels in e-business is consistent with Law, Leung and Wong (2004) who found in a study of the impact of the international travel agencies that online and traditional...
channels can co-exist. 4% of the firms sought to provide transaction-oriented services through their websites. However, these services were limited to receiving requests for business via the internet and payments were still made offline since Ghanaian tourism firms are unable to handle credit card transactions. Though some Ghanaian banks have introduced Visa Cards to be used offline through Automated Teller Machines, they are quite restrained in deploying the use of these cards on the Internet in Ghana (Boateng, 2005). Online security is one of major issues affecting the development of an electronic payment system. Ghana has been noted as one of the countries where travellers have experienced credit card fraud after using their cards for offline payments in the country (USDS, 2006). Another issue is with Internet accessibility. Most Ghanaian Internet users access the Internet through collective access points – cybercafés, work, and school (Frempong and Stark, 2005). It costs an average of US$1.30 to browse for an hour in a cybercafé and there are only 5.2 personal computers per a 1,000 inhabitants as of 2006 (ITU, 2007). For those who want household/office access, its costs between US$200 to US$300 to purchase a second-hand “Internet-ready” computer and a monthly subscription fee of US$60 to US$95 for broadband DSL service at the speed of 256kps. With daily minimum wage of about US$ 2.0 (19,000 Cedis), it presupposes that Internet access is relatively expensive for a majority of Ghanaians.

Then again, only 7% of the respondents understood that a web strategy could be used as a strategic differentiator in helping to position the firms internationally. The implication of this finding is that even though there seems to be an appreciation of websites, the lack of a clearly formulated e-business policy relatively affects their level of understanding and their perceived strategic value of the innovation. Boateng and Hinson (2007) identified that transaction-oriented e-commerce applications as one of the least adopted and researched areas in their review of literature on e-commerce in developing countries. The dominance of literature on organizational systems as compared to electronic payment systems tends to reflect the relative ease of adoption of the more researched e-commerce applications. Quite a number of research investigations have indicated that the predominant e-business applications in developing countries are email, for maintaining contacts with buyers and to accept product orders, and the web, for obtaining general information about inputs and product markets (McCormick and Kinyanjui, 2002; Moodley, 2002; Wresch, 2003). Moodley (2002) argues that, it would entail a leap of faith, for garment exporting firms to adopt e-commerce for fully integrated transactions; “the market was not demanding it, and the payoffs of transaction-oriented e-commerce and e-marketplaces were regarded as being uncertain”.

However, other research (Bekele, 2000; Wresch, 2003) have presented case studies of firms which have navigated around their institutional constraints and developed relatively unique business models which are centred on transaction-oriented e-commerce. Bekele (2000) presents a case of an Ethiopian firm, EthioGift, which offers an online retail service for the purchase and delivery of sheep, cakes, flowers and liquor within Ethiopia, through credit card payments handled by a secure socket layer server in Canada. The question is what are these firms doing right in order to effectively adopt such applications and achieve its benefits. Research focused on the examining the strategic measures and business models being implemented by such firms or how these firms develop transaction-oriented e-commerce capabilities amidst their institutional constraints is therefore necessary as learning outcomes which can contribute to theory and practice.
7.4 E-business Benefits

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-scouting (research)</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Online Transaction-oriented services</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Improved logistics management</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Improvement in financial management</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Improvement in human resource management</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Improvement in marketing management</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Improvement in knowledge management</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Improvement in information management</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Improvement in distribution</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Improvements in marketing communications</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Improvements in process management</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5: E-business Advantages to Tourism Firms

It is interesting to note that e-business advantages to tourism firms are distributed nearly proportionately across various factors such as improvement in marketing management (14%) as well as improvement in process management (13%). Also reported were improvements in marketing communications (12%), human resource management (10%), transaction-oriented services (9%), knowledge management (9%) as well as improvement in distribution (9%). Other benefits reported were improved logistics management (8%), efficient financial management (8%) as well as e-scouting (4%). Not surprisingly the greatest benefits of e-business to Ghanaian tourism firms are in the area of marketing management (14%). This finding further buttress the marketing communications benefits (12%) accruing to some tourist forms in Ghana by virtue of their websites. The improvement in marketing practices by virtue of e-business is consistent with Aksu and Tarcan (2002) who made similar findings in a case study of the Internet and five star hotels in Turkey. It is important to note that astute marketing management for these tourism firms (must in addition to improvements in marketing communications); also mean improvements in people/human resources management, process management, distribution management and knowledge management. These marketing management attributes scored the highest (10%, 13%, 9%, 9%). The improvement in process management is consistent with Martin (2004) who found in a study on “Internet impacts in small UK hospitality firms” that “small hospitality firms have adopted the Web and used it; as a result they have changed business processes”. Only 4% of the firms used e-business as a vehicle for conducting research. Interestingly the Internet is used as a source of locating knowledge (hence the appreciable scores on people and knowledge management) for improving the skill level of firm employees, but not for researching information that could feed into strategic decision making. Future research on the benefits of e-scouting and how it be can implemented may facilitate its adoption by firms.

In effect, e-business is delivering some benefits to Ghanaian tourism firms, but the understanding of e-business/ICT issues still remains at an operational level. This finding is consistent to the fact that a dominance of research on e-commerce in developing countries tends to be particularly focused on adoption and diffusion of the innovation and transaction-cost oriented perspective of benefits to be achieved (Boateng and Hinson, 2007). There exist only a few studies that have sought to address the issue of offering strategic guidance to DC firms to handle their institutional constraints and move beyond adoption to institutionalize e-
business into organizational routine and processes (Montealegre, 2002; Garcia-Murillo, 2004; Ganesh et al., 2004; Zhu and Kraemer, 2005). Though achieving operational excellence is essential, the potential of e-business in making a sustained significant impact on organisational performance and socio-economic development in the context of developing countries requires knowledge on how to achieve strategic success (Lee, 2001). E-business needs to be viewed as a strategic resource for improving the competitiveness of Ghanaian tourism firms and means to achieve this has to be further researched.

8. CONCLUSIONS AND IMPLICATIONS FOR FUTURE RESEARCH

The preliminary findings from this study give evidence to notion purported by Theory of Planned Behaviour as earlier discussed. Top management commitment, their perceived strategic value of e-business and organisational readiness are critical to e-business adoption. However, these factors tend to be inadequate in offering strategic guidance to potentially exploit its usage and achieve strategic e-business benefits. Firms in Ghana’s tourism sector need ICT/e-business planning skills and knowledge infusion to place e-business at the centre of their organizational strategies. The Ministry of Tourism and Modernization of the Capital City is in the process of constructing a world-class tourism school in Ghana and e-business should be a part of that school’s curriculum. In the meantime focussed case studies will be carried out to further corroborate the findings of this exploratory study and then a nation-wide study will be conducted to reach more generalizable research conclusions. Ghana is big on tourism and Ghana is also big on ICT. The talk about making tourism and ICT major catalysts in Ghana’s economic drive should not remain mere rhetoric. E-business should be brought to life in a very forceful manner in Ghana’s tourism sector.

9. REFERENCES


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