

## Chapter I: Background to the Study

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Technology readiness is, arguably, a key impetus for success in the hospitality industry (Kim & Law, 2015). Coupled with its adoption by organisations and their online engagement with consumers, technology is said to have given traction to the tourism sector performance (Mizrachi & Sellitto, 2015; Adeola & Evans, 2019). Individual personality is at the centre of one's readiness to use technology (Walezuch, Lemmink & Streukens, 2007). Individuals differ in their disposition towards adopting technology (Rogers, 1995). Parasuraman (2000: 308) conceives technology readiness as the people's desire to accept and utilise new technology for achieving intentions both at home and the workplace. On the other hand, according to Chaffy and Ellis-Chadwick (2016), digital media relates to the usage of digital technology platforms in communicating and delivering interactive services. These include email links, blogs, websites and social media among others. Consumer engagement is explained by the Marketing Science Institute (2010:4) as client's behavioural attitude towards a particular company's product beyond purchase that is a cause from motivational pushes involving: verbal communication and interaction, recommendations, peer to peer interactions, blogging, authoring reviews and other like engagements. Overall, there is no doubt that the adoption of digital media propels the level of consumer engagement. This, in turn, has managerial implications for hospitality firms, where user generated content has to be managed as organisations interact with their consumers to retain those (Willems *et al.*, 2019).

Zimbabwe has witnessed a sprout in Small to Medium Enterprises businesses (SME's) (be it formal or informal) over the years. It is as a result of the continued collapse of micro and macroeconomic fundamentals. Since the early 2000's when the country embarked on the fast track land reform, major companies closed or were rendered unprofitable due to lack of local and external financial support for capacity utilisation. Thus, emergence of SME's is, in a way, a survival

strategy seen as an empowered, entrepreneurial streak or as a sign of the absence of jobs in big companies. Consequently, this survival tactic led to innovativeness in the country's economic crisis.

Dahnil *et al.* (2014) argue that in developing countries SME's are thus a crucial contributor to economic development of a nation as they help to reduce unemployment rate. Contextually, SMEs in the tourism sector are very useful to their clients due to their quick and direct access to the owners of the business thus allowing quick decision-making and less hierarchical barriers. The millennium generation is highly fast and impatient as a result of Information Communication Technologies (ICT's) which have brought information to client's finger tips.

Li, Robinson and Oriade (2017); Harrigan *et al.* (2018) assert that today's consumer is more advanced than the service provider, constantly engaging other consumers through digital media technology as they seek to make the right consumption choices. Hence, the ability to demand services-quality based on the power of information, that is, ability to quickly compare firms in the same industry. Remarkably, SME's have worked in places close to their clients' i.e. in home industries or as back yard formations.

Consequently, because of their nature, SMEs allow simple structural and operational setups. This has led to several people starting their operations with minimum to no qualifications or experience at all. Nevertheless, this status quo results in professional deficiencies when coming up with business strategies which will resonate with market dynamics through innovation. Nobre and Silva (2014) argue how both advocate that digital social marketing strategy has been embraced by big corporates but not yet adopted well by SME's. Social network marketing has fast replaced traditional marketing (Dahnil, *et al.*, 2014).

In addition, the major setback is that ICT adoption in developing countries is generally low (Adeola and Evans, 2019). Furthermore, when

compared to large hospitality firms, SMEs in the hospitality sector tend to lag behind in the adoption of technology (Abou-Shouk, Megicks and Lim, 2013; Styvén and Wallström, 2019). However, Technology has transformed the hospitality sector enabling consumers to co-create through engagement with service providers (So, King, Sparks and Wang, 2016). Due to the fragmentation and information orientated nature of tourism; online platforms are inevitable (Styvén and Wallström, 2019).

A study conducted in the (USA) United States of America has shown that digital marketing, which is a form of social media being more realistic, TripAdvisor, drive consumer engagement tremendously (Harrigan, Evers, Miles & Daly, 2018). Online surveys were conducted and targeted US respondents only. Furthermore, Dijkmans, Kerkhof and Beukeboom (2015) revealed in their US study that social media and consumer engagement have a positive correlation. To support that, Willems, Brengman and Van Kerrebroeck have (2019) put forth the idea that online consumer engagement increases conversion rate through interaction.

Regionally, Matikiti *et al.* (2016) empirically examined the use of digital media technology marketing in Zimbabwean and South African accommodation establishments. Their findings reveal that the establishments were familiar with Facebook, TripAdvisor and LinkedIn as digital media technology platforms. But, what is surprising is that half of the Zimbabwean samples were hotels. This is a mind-boggling observation which implies that small establishments in Zimbabwe by 2016 when this study was conducted were not using digital media technology to engage customers.

Zimbabwe has fairly encouraging internet penetration rates compared to the region (internetworldstats.com) which, according to Postal and Telecommunications Regulatory Authority (POTRAZ) (2019), stood at 51.9%. This implies that slightly more than half the population of

Zimbabwe is internet literate and the hospitality sector is not excluded from this analysis. Furthermore, the mobile penetration rate has taken a 3.1% leap from 84.6% in 2018 (techzim.co.zw).

The figures are an indication that the population of Zimbabwe, hospitality sector included, has the potential to use digital media. The Zimbabwe hospitality sector is constitutive of large and small players that, according to Zimbabwe Tourism Industry (ZTA), registered tourism facilities database (2019) fall within different categories. SMEs seem to fall within the categories of bed and breakfast, lodges and guesthouses.

Conversely, what is worrisome is the adoption of digital media by SMEs in the hospitality sector. They neither update their digital media technology accounts regularly; nor do they have interactive websites for engagement. That has been supported by Matikiti *et al.* (2016) who, in their research, found that hospitality establishments in Zimbabwe only updated customers on content changes, but did not provide personalised responses.

Approximately 40% of guesthouses, lodges and bed and breakfast facilities are registered under tourism watchdog which is the Zimbabwe Tourism Authority (ZTA). ZTA registered tourism facilities database 2019 is present on the TripAdvisor platform. This can be taken as a general indication of their willingness to invest in online presence, more specifically digital media.

TripAdvisor is a global travel website where consumers can review, book and compare tourism and hospitality products (tripadvisor.com). In principle, it performs the functions of digital media technology by enabling consumers to engage and generate user content. However, employees in the hospitality sector are said to have low ICT skills (Tsokota, Von Solms and van Greunen, 2017) and lack expertise in digital media technology marketing (Matikiti *et al.*, 2016) which can be

problematic on the quality of service delivered since much of their work is supported by ICT (Walczych *et al.*, 2007). This study, therefore, seeks to establish the SMEs in the hospitality industry's readiness to adopt digital media technology for consumer engagement or if employee personality traits have an influence on their adoption of technology and engagement with consumers.

SME's in general are lagging behind digital media technology (Styvén and Wallström, 2019). It therefore suffices to say the same for SMEs in Zimbabwe's hospitality sector, where approximately 40% are registered on one of the most recognised travel website TripAdvisor where tourists and potential tourists interact. A few of tourism facilities registered by ZTA have interactive websites and some do not update their digital media technology pages nor respond to customer enquiries. The problem is lack of digital media adoption by SMEs in the Zimbabwe hospitality sector that then hinders the level of engagement with consumers. This problem is fuelled by low ICT skills (Tsokota, Von Solms *et al.*, 2017) and also lack of expertise in social media marketing (Matikiti *et al.*, 2016) which brings a problem to quality of service delivered as most of the work is supported by ICT (Walczych *et al.*, 2007)

Employee personality traits play a pivotal role in shaping the digital media technology in a tourist centred company. As such the present study was seeking to assess if employee personality traits have an influence on digital media technology adoption and consumer engagement by SMEs in the hospitality industry.

The study's purpose is to examine the preparedness of the SMEs readiness in adopting digital media for consumer engagement. The specific research objectives are:

- 1) To determine the link between employees' innovativeness towards digital media technology and consumer brand identification.

- 2) To examine the nexus between employee optimism towards digital media technology and brand absorption by consumers.
- 3) To analyse if employee innovativeness towards digital media technology influences consumer interaction with a brand.

The following are the study hypothesis:

- 1) H1: There is a positive relationship between employee innovativeness towards digital media technology and consumer brand identification.
- 2) H2: There is a positive relationship between employee optimism towards digital media technology and brand absorption by consumers.
- 3) H3: There is a positive relationship between employee innovativeness towards digital media technology and consumer interaction with a brand

The period of sourcing literature was within five years of investigation. Thus from 2015 to April 2020. It is of paramount importance to use the most recently available information to counter the effects of outdatedness. Technology moves with a speed of lighting hence the need to use the most recent data or information.

The study was limited to SME's registered facilities in the tourism industry which encompassed lodges, guest houses and bed and breakfast facilities in Victoria Falls under Matabeleland north province in Zimbabwe. Victoria Falls is one of the well-known Seven Wonders of the World and as such, this feature is a major tourist attraction site in the province and many small tourism businesses have set bases in that side of the country. Henceforth, this research was focused on SME's in the tourism sector in this province particularly examining employees' appetite to embrace digital media technology. Study participants included ICT and marketing employees and managers of SMEs involved in decision making.

Literature review's primary purpose was to explore previous work research and fresh information emanating from the use of numerous primary and secondary data sources. This goal was achieved by looking at primary literature sources from recent on-line articles. Technology is rapidly fast and hence it was prudent to consider the most recent articles. Journal articles found online captured the latest developments in the field of technology coupled with its relatively easy access and fast response.

Online platforms provide a pool of journals to compare and contrast information. The study also made use of expert knowledge through the adoption and use of semi-structured interviews. Secondary yet current literature material such as text books, conference papers, e-books and journals were made use of. The SME's secondary data were drawn from literature sources of less than five years old with the exception of only seminal work in the field of tourism and destination marketing.

The only primary data gathering method used was the utilisation of questionnaires to understand the operations prevailing in the industry and their perspectives regarding digital media technology use. Study participants included employees and managers of SME who are involved in decision making. The study took a quantitative approach guided by the positivist philosophy. The survey instrument was adapted from Parasuraman (2000) and So *et al.* (2012).

A series of theoretical perspectives has been adopted and made use of to investigate customer engagement (CE), that included relationship marketing (Vivek *et al.*, 2014), S-D logic (Hollebeek *et al.*, 2016), stimulus and organism response theory by (Choi and Kandampully, 2018; Islam and Rahman, 2017b), also social identity theory and social exchange theory by (Hollebeek 2011b; Rather, 2018a) and finally congruity theory by (Islam *et al.*, 2018), just to mention a few. However, according to Pitt (2017), challenges facing researchers is to find a robust theoretical

framework that enables proper classification of customer and brand engagement through social media (content), or quantifies it for further analysis. Hart proposes a theory of word choice and verbal tone that provides such a framework (Hart, 1984a; 1984b). It offers researchers robust ways of studying the text in a document by focusing on divine power of word choice and verbal tone.

Hart's framework put forward that text generated by customers while engaging with a brand in social media can be gathered and then classified and analysed. The theory is actually discarded from other studies in linguistic theory done by several other social thinkers and so in that sense Hart's work integrates these into a comprehensive theory. Hart postulates that the five most pertinent themes in an article or document can, provide valuable insight into the nature of that piece of text or document if properly analysed.

In the present study, the researcher adopts Service-dominant logic (S-D logic) to map customer engagement (CE), because of its wide application and concentration on consumers or brand interaction and value that is crucial for tourism companies (So *et al.*, 2014). Service-Dominant logic informed consumer engagement views clients as proactive contributors to their own personal service experience, compounded by contributing in brand related platforms, such as social media discussions, helping other consumers, or co-innovating services with a company that renders a form of service alliance and personalisation (Grisseemann and Stokburger-Sauer, 2012; Im and Qu, 2017).

This study is also guided by the technology readiness index, a theory developed by Parasuraman (2000). Accordingly, the theory asserts that technology readiness is influenced by individual personality attributes such as (discomfort, optimism, insecurity innovativeness, etc.). These personality traits positively influence one's use of technology at their disposal (Walczuch *et al.*, 2007). Additionally, the Customer Engagement



Model (CEM) developed by King and Sparks (2012) is pertinent for this study. The model states that customers exude psychological and behavioural traits as they interact with a brand. The two aforementioned theories are deemed apt for present study as they were empirically tested in the tourism sector amongst other study settings.

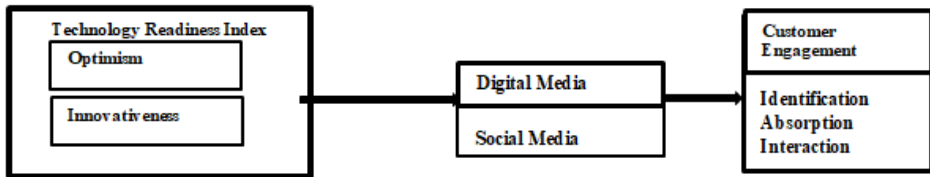


Figure 1.1: Conceptual Framework (Parasuraman, 2000 and So *et al.*, 2012)

Assumptions of the study are:

- The outright assumptions orienting the study are that:
- Resources to undertake the research were available to ensure completion of the study;
- The selected sample size was a true replica of the population representation;
- Participants of all questionnaires were highly ethical in their responses;
- There was no information asymmetry from the participants and the interviewer.

The study exhibited the listed limitations:

- Parts of those interviewed were unwilling to give information. They felt that it was going to lead them to discrimination. To mitigate this, the researcher indicated that questionnaires were primarily for educational purposes only of which confidentiality was guaranteed;
- There was lack of extended willingness from the group of selected participants of the questionnaires as they had other

work schedules. The researcher had to persuade and agree to meet the respondents outside their normal work schedules;

- The researcher had a challenge with questionnaires which had incomplete information and some came late in some instances. To mitigate the limitations, the researcher issued out a large number of questionnaires which gave back enough completed questionnaires which aided the researcher to design a satisfactory analysis from the questionnaires;
- The researcher lacked requisite research skills such as coding and data analyzation. The quantitative study required a labour-intensive examination process which included categorisation, recoding, etc. (Elo and Kyngas, 2008). The qualitative research also required well skilled researchers to get the target data from the group of participants. Further diverse conclusions were to be deduced basing on the similar information which relied on the personal characteristics of the researcher (Maxwell, 2005). To mitigate this obstacle, the researcher had to seek the services of a statistician which countered the deficiency.

The selection of study considered that very few studies have been undertaken focusing on the tourism sector technology adoption. The research might help increase knowledge in this field and also looking at employee personal traits and /or attitudes might bring out a contrast in their attitudes and this can help provide more knowledge in this area of study. The tourism and hospitality sector is highly information intensive and dynamic (Buhalis and Sinarta, 2019). Tourism technology adoption by SME's in developing countries is lagging behind than that of established entities. This study can therefore be a point of reference to policy makers in view of the national ICT policy to enact legislation and policies to support SME's to invest in ICT enabled services. Digital media, such as websites, email links, digital media technology etc. are important tools of trade if hospitality firms are to attract and retain their

consumers (Willems *et al.*, 2019). The tourism and hospitality sector is highly fragmented therefore its success is fuelled by investing in related technologies (Styvén and Wallström, 2019).

Given the reasonable internet penetration rate in Zimbabwe, it is important to understand the extent to which SME's employees and their managers (Cheng and Cho, 2011; Theodosiou and Katsikea, 2012) are ready to adopt available technologies which are available at low cost (Myat, Sharkasi and Rajasekera, 2019; Styvén and Wallström, 2019). The study also adds to the body of knowledge by combining the TRI (Parasuraman, 2000) with CEM (King & Sparks, 2012) whereas literature addresses these concepts separately as observed by Harrigan *et al.*, (2018). Given the potential contribution attributed to the combination of ICT and Consumer Engagement, this study thus makes a contribution theoretically by determining whether technology readiness personalities results in consumer engagement. The Conceptual framework in figure 1 above summarises the proposed relationships.

The hospitality sector is highly fragmented; therefore, its success is fuelled by investing in related technologies (Styven & Wallstrom, 2019). Given the reasonable internet penetration rate in Zimbabwe, it is important to understand the extent to which SME employees and managers are ready to adopt available technologies, Cheng & Cho, 2011). The study could benefit the tourism sector in terms of its recruitment practices as there is a powerful correlation between employee personality traits and technology readiness and therefore there is need for them to recruit the best persons possible especially for jobs that involve interacting with clients.

The study might also help the ZTA and other companies and organisations that have specific roles that require technological interfaces with clients to design better recruitment and training

programmes enabling them to achieve and select the best possible candidates. The research might also help SME's and other companies and organisations to understand consumers such as how consumer spending habits are influenced by those consumers attitude towards smart tourism and hence marketing departments can design better marketing drives and campaigns that are effective.

**Box 1.1: Definition of key terms**

The following are the key terms used in the study

**Small to Medium Enterprises:** In Zimbabwe, ZIMRA classifies SMEs as businesses that employ between 5-40 people with annual turnover and assets from as low as \$50,000 to \$2 million (Financial Tribune, 2018). According to SME Association of Zimbabwe (2018), SMEs are those with a turnover less than US\$240, 000.00 or assets less than US\$100,000.00 and turnover and assets above the thresholds for small enterprises, but less than US\$1 million each.

**Hospitality Industry:** It is a broad category of fields within the service industry that includes lodging, food and drink service, event planning, theme parks and transportation. It also includes bars, hotels, restaurants that offer people food, drink, or a place to sleep (Cambridge University Press, 2020).

**Digital Media Technology:** Focuses on enabling technologies for digital media systems, including technologies for analysing media, generating interactive media, processing and coding, optimising wired and wireless transfer and distributing digital 3D contents.

**Consumer Engagement:** It is the ongoing interactions between company and customer, offered by the company, chosen by the customer.

**Chapter 2** concentrated on literature review that was available in the canon of scholarship both in theory and practice, thereby carefully highlighting the gap in the research. This chapter attempted to address the research questions both empirically and theoretically as indicative by the objective of the study.

**Chapter 3** provides the research methodology that articulated the arguments for and the description of the design, the techniques and

methods which were used for data collection for the research. It explained the meaning of the research design, data collection, sampling technic and the procedural analysis. The process included the study of the population, sampling size and also sampling techniques which were used.

**Chapter 4** provides an analysis of data collected through self-administered questionnaires including interviews which were deduced from the research objectives. The chapter has data presentation on the staff and facts derived from the research results carried out from questionnaires.

**Chapter 5** is constitutive of the summary of results, the research-based inferences and recommendations.

The chapter has sought to explicate the problem of technology adoption in the hospitality sector, with specific focus on SMEs. A brief review of literature highlighted the knowledge gap which this study has strove to fill and empirical evidence has shown that there was need to investigate the personality factors affecting technology adoption as these have managerial implications on technology investment decisions. A conceptual framework guiding the study was developed from theory. This section was followed by objectives of the study and hypothesis. Assumptions, delimitations and limitations also formed part of this proposal.