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DOES TOWNSHIP TOURISM CONTRIBUTE TO GOVERNMENT'S STRATEGIC GOALS FOR THE TOURISM SECTOR?

**A case study of Bed and Breakfast entrepreneurs in
Guguletu and Langa, Cape Town**

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PLAGIARISM DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

Signature:

Date: March 2013

A minor dissertation submitted in partial fulfilled in requirements for the award of A Masters of Philosophy in Development Studies.

University of Cape Town

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ABSTRACT

The purpose of the study was to address the question: Does Township Tourism contribute to the South African government's strategic goals for the tourism sector? A qualitative case study was done in the two Cape Town townships, Gugulethu and Langa to identify and interview a number of Township Tourism Entrepreneurs (TTEs). Selected works of C.M. Rogerson are used as a framework to compare these TTEs, to those studied in a number of other townships in South Africa.

Rogerson described TTEs as having identified an economic opportunity and categorised them as Opportunistic Entrepreneurs, who share numerous qualities with white Lifestyle Entrepreneurs, such as being approximately 50 years old, predominantly females, who use their own funding to start accommodation businesses in picturesque rural towns, as a second career or income generator.

The study has 5 TTEs in the sample, which is a convenient sample drawn from Cape Town Tourism's membership list of 14 members who are operating accommodation businesses in these areas. In-depth interviews were conducted with five TTEs, a senior staff member from the City of Cape Town Tourism Department, another from the Provincial Destination Marketing Organization and one tour operator. Informal discussions were held with staff at the Tourism visitors centres in Langa and Gugulethu and other tourism stakeholders prior to doing the interviews. The study also drew on multiple data sources, including policy documents. The study explored the TTEs' motivations for starting their accommodation businesses, and looked at how they conform to the entrepreneurial characteristics and categorisation given by Rogerson and the Global Entrepreneur Monitor Report, i.e. Survivalist/Opportunistic/Lifestyle Entrepreneurs. The study explores how this categorisation aligns TTEs with the vision and goals for the sector that policymakers and government have set, and whether this enables them to access the appropriate support.

The findings suggest that TTEs should not all be assumed to have business growth as a primary goal, and that a number could be categorised as Lifestyle Entrepreneurs rather than Opportunistic Entrepreneurs, albeit in an urban township setting. This study also suggests that township Lifestyle Entrepreneurs have a key function in the tourism sector and consideration should be given to place them in a form of clustering with opportunistic high growth entrepreneurs. This would enhance this sector's contribution to the ambitious goals set for tourism as a transformation, job creation, and poverty alleviation tool.

Key words: Tourism, Township, Township Tourism Entrepreneurs, Lifestyle Entrepreneurs.

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Chapter 1 Introduction

1.1 International context

Tourism is the world's largest industry, and the largest employer of any industry on a global scale. According to reports of the United Nations World Tourism Organization (UNWTO; 2009) and the World Travel and Tourism Council (WTTC; 2011), it is ranked among the top five export categories in 83% of countries of the world.

Since the sixties, tourism has emerged as “a saviour” of poor people and poor countries. This is against a background of a widening gap between rich and poor people and nations since the onset of globalisation, which enabled developed countries to benefit from unfair terms of trade, the free flow of goods and capital, while developing countries became poorer. The World Bank, New Partnership for Africa Development (NEPAD), UNWTO, and the United Nations (its various charters, strategies and policies) have all identified tourism as the most effective development tool for addressing opportunities for a country's economic growth, as a means of acquiring much needed foreign exchange, and eradicating poverty through pro-poor tourism development (Ivanovic, 2008:51- 54).

There has been unparalleled growth in tourism travel in the last 50 years as a result of worldwide workers' rights legislation which requires employers to award workers the right to paid annual leave. This represents a key shift in global attitudes to tourism which, together with documents produced by the UNWTO in the eighties, moved the common perception of tourism being an elitist activity, to one which sees it as a basic human right, as well as being an aspect of the fulfilment of a human being (Ivanovic, 2008:45-47). The UNWTO documents also recognised the responsibility of each state to develop domestic, social and youth tourism for reasons which include freedom of movement, getting to know the environment, fostering deeper awareness of a citizen's national identity, promotion of mutual understanding among people of the world, affirmation and respect of cultures, and heritage (UNWTO: The Manila Declaration: 1980; The Acapulco Documents on the Rights to Holidays, 1982).

In the 1960's, developing countries around the world began to move from dependence on commodities for foreign exchange and economic growth and towards tourism, since the former's prices were becoming unstable it was becoming increasingly difficult to depend on these for foreign exchange, which resulted in difficulties with national fiscal planning, and in

turn social and development planning became unsustainable and difficult (Ivanovic, 2008:45-47).

1.2 South African context

Since 1994, when the first democratic government was elected in South Africa there has been an upsurge in the numbers of tourists visiting the country in order to see the natural landscape as well as the reality of the 'new' South Africa's historic transformation, and to meet its people. Prior to this election South Africa had been the pariah of the world due to its apartheid history and trade sanctions. Thus very few people came here as tourists, and tourism before 1994 catered largely to white citizens and international visitors.

Tourism has recently been identified as one of the sectors of the South African economy which has the highest potential for growth (Tourism Empowerment Council (TECSA): 2008) and is consequently widely viewed by government as having the economic potential to solve the high rates of unemployment, poverty and joblessness prevalent throughout South Africa.

1.3 Tourism Policy, Mandates and Activities.

Tourism in South Africa is largely a government driven initiative and therefore numerous policies and agencies have been put in place during the last fifteen years by government to guide and create an 'enabling environment', as further support to this sector. The government's Medium-Term Strategic framework (MTSF) 2009 election manifesto identified overall priorities which included tourism and cabinet in October 2010 approved South Africa's New Growth Plan which identified tourism as one of the six core pillars of growth. Many local authorities have therefore focused on programs to encourage targeted citizens and business entry into this sector (National Tourism Sector Strategy 2011).

National government's stated strategic goals for the tourism sector are:

- For its ownership patterns to be transformed from predominately white ownership,
- To be more representative of all 'racial classifications',
- To be a catalyst for job creation, and poverty alleviation (White Paper 1996, 2003).

The White Paper on the Development and Promotion of Tourism (1996) makes Provinces responsible for tourism within their own areas, and National Government responsible for overall coordination, regulation and monitoring of the industry. Provincial government and tourism institutions formulate policies applicable to their areas, in line with national policy positions. The idea is that different spheres of government should work together in

promoting tourism at the local level (Department of Environmental Affairs and Tourism, (DEAT) 1996:33).

Since the late nineties a number of government supported entities have been established, such as the Tourism Enterprise Programme (TEP) provided by the Department of Economics Development and Tourism (DEAT) Western Cape. The TEP offers advice and expertise to new entrants into the tourism commercial sector across South Africa and its vision and mandate is to assist tourism enterprises to become internationally competitive. The TEP programme was funded by the Business Trust and Government to facilitate the development of small and medium-sized tourism businesses (DEAT, 2000). Included is a range of programs such as: Awareness Information Sessions, which present information on all aspects of tourism, how to become involved in the tourism industry.

The mandate for local government includes the promotion of local tourism, and the creation of an environment in which the private sector can develop more products and, in the process create opportunities for tour operators, travel agents and owners of tourist accommodation. In order to do this, the Department of Environmental Affairs and Tourism (1996:36) indicated soon after the democratic election that it had to 'to embark on effective education and training and cultivate awareness among tour operators, transport owners and accommodation owners, and establish strong linkages with other sectors of the economy'. Tourism workshops on business opportunities, for example, were conducted in communities throughout the Western Cape during the years leading up to the 2010 World Cup. Helpdesks were established, each with a Tourism Helpdesk agent present, to assist with business ideas, information regarding training sessions, business plan writing, and to refer aspiring tourist operators to organizations through which they could access finance (DEAT information booklet). Rogerson, who has done numerous studies and compiled several reports on township and 'pro-poor tourism, has been very complimentary regarding the TEP's work: in his view they have had the most success in this field to date (Rogerson, 2007:17), although entrepreneurs have not always agreed. The appropriate activities flowing from these mandates have largely been absent and scholars have been very critical of government's role across all three spheres in this regard (Booyens, 2010:380).

Swart, in her Niche Market Study of the Cape Town area, argues that in South Africa, tourism has increasingly been considered to be a very important economic sector that acts as a catalyst for the developmental agenda of the state (2009:24) as the following extract from a statement of the Minister of Environmental Affairs and Tourism illustrates:

As the South African government we strongly believe that transformation in tourism can contribute to the development of our economy and lift many citizens out of poverty.

Before these goals can be achieved, geographical transformation of the tourism industry has to take place, as it goes hand in hand with the skills development, employment creation and economic participation...This can only be achieved if significant numbers of black people and local communities participate meaningfully...(Minister of Environmental Affairs and Tourism, as quoted in the Tourism Empowerment Council Annual Review 2008).

A Broad-Based Black Economic Empowerment (BBBEE) Charter and Scorecard was created by Government for tourism in 2005 to address the inequalities in ownership and participation in the tourism sector, and to facilitate access to the sector's many opportunities for historically disadvantaged individuals (HDIs). The scorecard contains seven pillars, each allocated specific targets and weights, for two implementation periods between 2005 and 2014. It allows established tourism businesses to score points for offering business support and/or mentoring to emerging small businesses, and procurement by tourism from BEE suppliers. The development of linkages and partnerships between established and emerging tourism businesses is an essential part of the implementation of the charter and scorecard (DEAT, 2005). The Tourism Empowerment Council of South Africa was launched in 2005 as the industry's transformation partner. Its primary objective is aligning BBBEE in the private sector with the BEE Charter and Government Codes of Good practice. Among other mandates, it is mandated to facilitate implementation of programmes aimed at fast-tracking BEE in the sector, and to provide incentives that encourage tourism enterprises to comply with the Tourism sector codes. It has strategic partnerships with organised business and labour and with all nine provincial tourism departments.

The Tourism Department declared as one of its aims to increase the industry's contribution to the economy from R189 billion in 2009 to R499 billion by 2020, and to increase the number of foreign tourist arrivals from seven million in 2009 to 15 million by 2020, and the number of domestic tourists from 14, 6 million to 18 million in the same period. The department is also expected to create some 225 000 new jobs by 2020. The majority of visitors came from Southern African Development Community countries, and from the United Kingdom, The United States of America, and Germany (www.info.gov.za).

South Africa has a wide range of products on offer to tourists, one of which is the rich natural and cultural heritage which adds to the appeal of the country as a destination for tourists. Thus tourism has grown by more than 10% annually since then. The Tourism Empowerment Council of South Africa (TECSA, 2008) reported that since the dawn of democracy in South Africa, tourism has helped create 1million jobs and that the industry has seen the emergence of tens of thousands of new businesses.

The Western Cape is South Africa's most developed tourism region, and 10% of those who are employed in the region, as well as the new jobs being created here, are attributed to this sector (DEAT pamphlet, 2009). New training opportunities were created soon after democracy to enable entry into this sector, for example, the Tourism Learnerships and National Qualifications (NQ), spearheaded by the government's Tourism, Hospitality and Sport Education and Training Authority (THETA). Learnerships are essentially 'apprenticeships' that provide historically disadvantaged individuals (HDIs) with structured learning and performance monitored workplace experience (THETA, 2000). NQs allow for assessment of skills in the workplace and the award of qualifications for work done competently and to a specified standard. NQs are of particular value to those people who are illiterate, or cannot speak English, as they provide for assessment of a trainee's physical/practical ability to undertake and perform the tasks for which he or she is trained.

1.4 Contextualising the study: The history of Langa & Guguletu

At the heart of the South African apartheid regime's policy was racial segregation, and the effects of the accompanying spatial policy implementation are evident everywhere and continue to influence the social reality 18 years after apartheid was constitutionally dismantled. The urban centres were spatially divided in such a way that black residents were located far from the business centre and assigned to 'township' areas. These were spaces which were under-resourced and served largely as holding spaces, dormitories from which to extract cheap, expendable labour to serve white owned business. Little or no spaces were allocated or zoned for businesses to operate in these areas, which the architects of apartheid intended as temporary spaces, rather than as areas providing, or being provided with, full services. With some exceptions – in the form of a few designated rural sites known as 'Homelands', far from urban industry – in these areas, planning considerations, such as creating enabling spaces for business, was not the intention of the apartheid government.

For this study the data collection was conducted in two such townships in Cape Town, Guguletu and Langa. They are located approximately 16km and 12km respectively from the city centre. Langa was established, along with other township areas, in 1927 in terms of the 1923 Urban Areas Act. It is the oldest of such townships and was the only black residential area for Cape Town for some time, and became a site of resistance to apartheid. The total area of Langa is 2,87 km² with a population of 47965. The racial makeup is 99,6% Black African, most of whose first language is Xhosa. Guguletu was established in the 1960s as a result of the overcrowding of Langa. Its population is approximately 77 559 with the same racial and language makeup as Langa (City of Cape Town, GIS Department, 2010).

1.5 Rationale of the Study and Problem Statement

The apartheid legacy of inequalities remains evident in every sphere of South African society in social, spatial, and economic terms. In the process of addressing this complex, historically deeply entrenched way in which society and living spaces have been structured, and the ways in which the economy and the people function, government has put numerous policies and strategies in place and applied various tools and interventions. Economists see South Africa's very high unemployment rates, large unskilled sector of the population, and widespread poverty, as being due to insufficient economic growth. These are on-going problems confronting the state, and as a result all three spheres of government are under pressure to achieve greater economic growth and have attempted to address this through a range of policies and strategies to create an environment which will attract investment and be a catalyst for job creation.

In this context of encouraging economic growth, the Department of Trade and Industry (DTI) views the development of small and micro tourism businesses in partnership with local communities as very important, and has identified tourism as one of its five key economic sectors (Annual Report, 2003:15). This is a market-driven approach which puts emphasis on small, micro and medium enterprises (SMMEs), and is informed by the South African government's view that small and micro businesses constitute one of the major engines of growth and development of the country's economy. The promotion of SMMEs and supporting enterprise development is a key strategy to effect government's objective of bringing about transformation of the economy together with its Broad Based Black Economic Empowerment (BBBEE) policy (Rogerson, 2005a:2).

As stated earlier, part of the national strategic policy of South Africa emphasizes the need to transform the tourism sector, which is still dominated by a few large companies and by mainly white entrepreneurs. To this end, Minister Van Schalkwyk declared 'transformation is viewed as a business opportunity...which also provides tourists an integrated view of South Africa' (TECSA, 2002; Rogerson, 2005a).

The topic of township tourism was of interest to me since I had, in the early 2000's, been working as a business consultant to emerging and micro enterprises in and around Cape Town, and found that many existing and prospective business owners were applying for assistance in accessing business support services from government funded entities. I realized that, although the Tourism BEE Charter and Scorecard of 2005 promised considerable opportunities for progress with regard to transformation of the sector, eight years later there appear to be very few black owned tourism businesses being highlighted as models of success. I thus wondered how much transformation has in fact taken place in this

sector, and how Township Tourism and the Township Tourism Entrepreneurs (TTE) have fared in this sector, given the numerous government policies and business support mechanisms put in place to assist emerging and micro enterprises.

My initial literature research indicated that, while there have been numerous studies and much scholarly literature published internationally, and some on South African SMMEs in tourism, these are almost entirely written from the perspectives of business experts, researchers or scholars. Very little has been written providing insight into, or the perspectives of, black emerging or small tourism entrepreneurs doing 'Township Tourism', in particular how their Bed and Breakfasts (B&Bs) have experienced or benefited from the key mega event since democracy – the FIFA World Cup 2010.

The preliminary literature review also revealed a number of gaps in the literature on this topic, as well as recommendations for further research on the South Africa tourism sector. The recommendations include the extending of these studies' sites in other places and provinces in South Africa. The need for a more diverse sample of respondents was raised by scholars in this field, and it appeared that black tourism entrepreneurs were under-represented in the earlier studies (Rogerson, 2005a; Nieman, Visser & van Wyk, 2008; Booyens & Visser, 2010). These studies are largely quantitative and focus mainly on Soweto, Mpumalanga and the Free State. This particular focus led to my decision that this study would be conducted in Guguletu and Langa, two townships in Cape Town, which do not appear to have been studied from the point of view of township tourism, even though they are among the oldest townships established by the apartheid government in the Cape. I thus concluded that they would add an interesting sample to this field of study.

The review of the literature on South African tourism, and small, micro and medium enterprises (SMMEs), also revealed C. M. Rogerson as a key scholar contributing to the body of literature and the analyses of the sector in his outlining of the challenges and constraints facing entrepreneurs and SMMEs. I used a selection of his publications as a framework for this study, which is a case study with a sample of five Township Tourism Entrepreneurs (TTEs) located in Guguletu and Langa, and who offer accommodation (a sub-sector of tourism) to tourists.

The research question is:

What are the intended outcomes of the South African government's strategic policies for the tourism sector, is there an alignment between these and TTEs' business motivations, and what are the implications for future support and policy responses for this sector?

The objectives of the study are to use selected literature of Rogerson on SMMEs and TTEs in South Africa, and to test his main claims about them. This will be done in the process of conducting a case study of TTEs in Guguletu and Langa. The aim is to use these township areas as a reference to determine if the case study's findings and analysis of the data collected in these Cape Town townships confirm or contradict Rogerson's findings elsewhere in the country. The study also aims to add to the body of knowledge on TTEs, offering thick descriptions, and providing a layered account of these entrepreneurs in these two locations where very little research on this topic has to date been done. The study will highlight the TTEs' perspectives on the sector, including the various constraints and challenges they encounter while operating and growing their businesses.

This was an exploratory study using a qualitative research paradigm to describe the social phenomenon or actions, rather than predict or generalise the findings to a broader population, and it concludes with recommendations on how to better support and align the TTEs' aspirations with government policymakers' strategic goals.

1.6. Outline of the Thesis Structure

The following section will provide the framework of the study, outlined in terms of the specified chapters, with a brief description of the aim and content of each chapter.

Chapter 1 has described the background and purpose of the study, stating the research question and objectives, and briefly outlining the research design and methodology of the study. The key concepts are defined / explained, and an outline of the thesis chapters has been presented. Chapters 2 and 3 lay the groundwork of the study in terms of the literature review, the aims, policies, framework and methodology of the research. Chapter 4 will discuss the findings of the research. Chapter 5 will present the conclusions from the findings, and make some recommendations.

Chapter 2 Literature Review

2.1 Introduction

The literature on entrepreneurship, SMMEs and tourism has been growing steadily in the last decade, both internationally and locally. It covers the various roles small business has played in this industry, and the potential developmental benefits offered by this industry to a country's economy. Publications focusing on South African tourism remain sparse and have their beginnings post 1994. The body of literature includes studies on the challenges and constraints of SMMEs in South Africa, and since 2001 there has been an annual research study to assess the state of entrepreneurial activity in the country compared to numerous others around the world (The Global Entrepreneurship Monitor (GEM) Reports, 2003-2010). There have also been studies about entrepreneurs, looking at their desirable and/or essential personal qualities, and what this means for their businesses. Some studies have looked at tourism in general and others have focused on subsectors of tourism such as mega-events, and the impact of these on the economy (Swart, 2009; Rogerson 2009; Pillay, Tomlinson & Bass, 2009; Czegledy, 2009).

A few studies have looked at community tourism, others at the different approaches to community tourism such as pro-poor tourism, responsible tourism and fair-trade tourism. Although a number of scholars have specifically examined Township Tourism, such as Goodwin (2009), Rogerson (2005a, 2005b), Nieman et al, (2008), there are a number of gaps in the literature on tourism notably the fact that those writing on South Africa's township tourism sector have specifically focussed on the Mpumalanga, Free State, Soweto and Gauteng areas (Nieman et al., 2008; Rogerson, 2005). A few scholars have recommended that studies be done in other geographic areas in order to expand and/or confirm their findings, and that these studies should include black entrepreneurs which they see as not being well represented to date (Booyens, 2010 & Nieman et al, 2010). This study responds to these gaps and to the recommendations by other studies since, in the course of the literature review search, it became evident that very few scholars have done research in Cape Town townships, and that even fewer have highlighted township tourism entrepreneur (TTE) perspectives.

As stated earlier, an overview of the existing literature led me to use a selection of the work and themes of one of the prolific South African scholars on the subject, C.M. Rogerson, whose work was used as a framework and a basis from which to explore the subject of this thesis. I decided to delimit the scholarship by examining tourism's SMMEs' and entrepreneurs, including TTEs as explored and documented in a selection of Rogerson's

writings. In order to frame the discussion that follows, it is necessary to present a context within which TTEs operate by defining some of the terms and concepts relating to tourism and TTE.

2.2 Definitions & Segmentation

2.2.1 Tourism:

The World Tourism Organisation (WTO) defines tourism as comprising the activities of persons travelling to, and staying in, places outside their usual environment for not more than one consecutive year for leisure, business or other purposes. Tourism is also made up of businesses that form the industry, individuals and businesses of all sizes that provide places for tourists to stay, eat, and move from one place to another, as well as the products and services they purchase (Botha, Fairer-Wessels & Lubbe, 2006:2).

2.2.2. Tourist

A tourist is defined as a person who travels outside of his or her usual environment for a period of time. One, who lives in South Africa and travels to another part of the country to visit friends or family, or to enjoy a holiday, would be called a 'domestic' tourist, while someone visiting South Africa from another country would be an 'international' tourist. Both categories of tourist could be further categorised into leisure or business tourists or tourists visiting friends and relatives (DEAT Handbook: 2005).

2.2.3 Tourism: Small, Micro, Medium Enterprises (SMMEs) and Sub-Sectors

Tourism is an industry that includes many subsectors all working towards making a visitor's stay in a country a positive and memorable one. These subsectors include: the transport sector, travel agents, tour operators, tour guides, hospitality-accommodation and hospitality-food and beverage, and tourist attractions. Tourism's SMMEs are those enterprises operating in tourism and, as previously noted, includes three sub- sectors (DEAT, 2005a):

- Accommodation – which includes B&Bs, Guesthouses, Backpacker hostels,
- Hospitality and related services - e.g. restaurants, catering, arts and crafts etc.,
- The Travel Distribution systems – e.g. tour operators, tour guides

The SA National Small Business Act indicates criteria to identify and categorise various sized businesses as follows:

- Micro enterprises, which involve the owner and four employees,
- Small enterprises, which have between five and 100 employees, and
- Medium enterprises, which have between 100- 200 employees (Booyens & Visser, 2010).

International studies show that SMMEs dominate the tourism sector, and this also applies in South Africa (Aghapour et al., 2012; Rogerson, 2005b:627). Rogerson (2005a:12) has identified three tiers of business in the South African tourism industry; he reports a few large established groups of enterprises at the top, that the middle is still largely a white owned layer, and in the very bottom tier are the emerging, black enterprises. These small enterprises are a mix of micro enterprises, some of which are registered, and numerous informal enterprises. Due to the unavailability of reliable statistics, the actual size of the tiers is difficult to determine (Rogerson, 2005:120). Locally, large hotel groups like Southern Sun, Sun International, and Protea dominate the accommodation sector, leaving SMMEs to operate small-scale enterprises such as guest houses, B&Bs and backpackers, which, although niche markets have low profit margins (Nieman et al., 2008; Rogerson, 2005a).

2.3. Themes

2.3.1 Approaches to Tourism:

2.3.1.1 Pro-Poor and Responsible Tourism.

Pro-poor and Responsible tourism both emphasize the importance of the triple bottom line of sustainable development: economic, environmental, and social sustainability (Rogerson, 2005:14). Pro-poor tourism is an approach to tourism development and management that ensures that local poor people are able to secure economic benefits from tourism in a fair and sustainable manner (Goodwin, 2009:3). It aims to improve the livelihoods of poor people in three ways:

1. Economic gain through employment and micro-enterprise development;
2. Infrastructure gains: roads, water, electricity, telecommunications, waste treatment;
3. Empowerment through engagement in decision making.

The 2002 Cape Town Declaration on Responsible Tourism defines Responsible Tourism as tourism 'that creates better places for people to live and better places to visit' (CTT Booklet, s.a.).

The declaration shares the same goal as that of pro-poor tourism, namely, sustainability with Sustainable Tourism. The emphasis is on local ownership, local procurement, and local employment, which aligns with the development goals of the South African government. These factors are seen as helping to reduce local economic leakages since these strategies have been highlighted as effective in achieving the country's development goals (Booyens, 2010). The guidelines of Responsible Tourism (Spenceley & Seif, 2003), includes the following specifications in terms of local empowerment, support, and consultation at the local level:

- Locals should have the opportunity to take part in decision-making, be employed, trained and empowered, and become owners of tourism products
- Local goods and services should be procured;
- Local entrepreneurship and small business development should be promoted
- Local cultures should be respected and protected
- Natural, cultural and heritage resources should be preserved; and
- Developments should be sensitive to the environment

Skills development, preferential procurement, enterprise development and social involvement at local level are all on the Tourism BBEE scorecard, and these together constitute another measure or incentive used to ensure transformation of this sector.

Tourists who have similar interests and generally travel to similar destinations and in the same places, and do the same types of activities, can be grouped into so-called market segments. Botha et al. (2006:4) argue that a tourist business has to identify the purpose of the tourists' travel, e.g. for leisure, for business or to visit friends, so that it can target them with the appropriate products.

2.3.1.2 Mega Events

Mega-events have been identified as a means to attract large numbers of tourists to a country. In this context the literature refers to place making, urban regeneration, imagination etc. (Pillay, Tomlinson & Bass, 2009:3). South Africa bid for, won and became the first African country to win the right to host the 2010 FIFA World Cup. The FIFA World Cup is the world's largest sporting and media event, and during its staging in South Africa 3, 2 billion viewers from in every country and territory on earth including Antarctic and the Arctic Circle,

watched it, breaking viewing records in many places in the world (FIFA archives, 2013; Pillay et al, 2009:15). In the five years leading up to the 2010 FIFA World Cup, there was a huge build-up of effort and resources in the preparations by the South African government and the tourism sector.

Figure 1.



Rogerson sees the key role of sports mega-events as being to “boost urban economic development”, and that the 2010 World Cup bid stressed this developmental agenda. It wanted the ‘opportunity to be shared by all’...and emphasised that the event was to be used ‘as a lever for empowerment of black communities’, and involvement of small emerging black owned tourism enterprises.’ (Rogerson, 2009a:339-341). As a consequence, for the first time in the history of the World Cup, FIFA’s official accommodation and ticketing company, Match, agreed to a target of 10 000 non-hotel star graded rooms for fans and visitors to the tournaments across South Africa. These rooms were to be provided by a range of tourism establishments that included B&Bs, Guesthouses, and Backpackers (Rogerson, 2009a:348). Although TEP was contracted to ensure the readiness of these enterprises, very few enterprises from Soweto qualified due to a range of constraints and challenges that included requirements to adhere to safety and security measures, grading, fire and building regulations etc. (Rogerson, 2009a:341-345).

The legacy and catalytic aspects of the event were particularly emphasised in the bid with respect to upgrading the public transport system, including roads, rail and building multi-purpose stadia. The statement of Minister of Tourism, Marthinus van Schalkwyk in the 2011 Western Cape Provincial Government (WCPG) Legacy Report sums up government’s envisaged infrastructural and economic benefits of the FIFA World Cup:

The World Cup was never about the hosting of a tournament, but rather about building a legacy for our country and our continent – a legacy in terms of, amongst others, infrastructure development, economic growth, skills development, job creation, nation building and brand awareness. (WCPG Legacy Report, 2011).

The Provincial government and the City of Cape Town (CoCT) set in action a plan for its citizens to achieve common goals for the 2010 FIFA World Cup which included: “maximise public benefit and lasting legacy, building new stadia, airports, increasing accommodation for visitors, social cohesion, economic opportunities, and national pride amongst all South Africans, and to promote Cape Town and the Western Cape as opportunities to experience the local flavours of the destination for tourism, trade...to ensure the geographic spread of economic benefits..” (WCPG Legacy Report 2011:15). In Cape Town eight new hotels were built which were expected to attract more visitors to the city, and result in increased investment and numbers of tourists, and it was envisaged that job creation would be the end result. Approximately R12-billion of public sector money was spent on new infrastructure in the city, and double that from the private sector (WCPG Legacy Report, 2011).

Due to the size of the event, and the guarantees government gave to ensure its success, nearly every government department was involved in one way or another; even the president of the country got monthly updated reports regarding the status of preparations (Davies, 2009:35, 38).

Researchers on the FIFA World Cup such as Cornelissen and Maennig argue that the most significant outcome of the 2010 World Cup was the ‘feel good’ benefits, for example enhanced impressions of a country on the part of the country’s citizens and international visitors, and called for caution in expecting or celebrating economic benefits. She suggests these benefits were exaggerated, and at the time disputed the poverty reduction and long-term legacy benefits claimed (2010; 114). The agreements between FIFA and the host cities were structured in such a way as to ensure that the cities provided all the necessary infrastructure and services, and FIFA the entertainment. In fact the event saw FIFA gaining most of the profits while the host city tax payers were the key funders of the event (Davies, 2009:35; Du Plessis & Maennig, 2009:58, 62). On the other hand, Pillay & Bass (2009) see most of the references to a mega-event as being a great poverty reduction tool to be no more than rhetoric. The competing goals of a developmental agenda and the desire of a city to become one of the ‘competitive global cities’, within the neo-liberal framework, make the benefits of a mega-event to the marginalised and poor hardly likely, and indicate that there is growing scepticism among scholars and analysts concerning the social and economic legacies of these events (Pillay & Bass, 2009:78-82). Tomlinson et al. (2009) argue that, while the FIFA World cup events have been very profitable for FIFA due the television rights and sponsorship deals, the same cannot be said for the host cities and countries

(Tomlinson et al., 2009:3).

2.3.1.3 Cultural and Heritage Tourism

There are various definitions of this type of tourism. Ivanovic (2008) describes cultural tourism as a socio-economic tool for community empowerment, and sees it as an 'ideal vehicle for community-based tourism development, where people will 'see' a tourist and 'see' the direct economic benefits of tourists' visits', while he also warns that a sensitive balance between the protection and use of cultural and heritage in tourism must be noted (Ivanovic, 2008: xx). The National Heritage Council's Act of South Africa on the other hand defines a heritage resource specifically as 'any place or object of cultural significance (1999). Booyens (2010), citing Nuryanti (1996:251), describes culture and heritage as 'material forms such as monuments, historical or architectural remains...traditions and art...celebration of great events or personalities in history' (2010:274). Early on in the post democratic election period, the South African 1996 White Paper on Development and Promotion of Tourism defines cultural tourism as including the cultural aspects of tourism that are of interest to the visitor, including traditions of people, their heritage, history and way of life. The definition was expanded in a later White Paper to include not only culture and heritage, but also the physical environment and was also defined as activities that enable people to experience the different ways of life of other people, thereby gaining first-hand understanding of their customs, traditions, physical environment, the intellectual ideas of a culture and a people, and those places of architectural, historic, archaeological or other cultural significance which remain from earlier times (RSA White Paper, 2003).

According to Swart (2009), cultural tourism has been on the rise globally, with destinations such as Australia reporting growth rates of between 3-5% in international, cultural and heritage tourism. She predicts that a further growth in cultural tourism as more and more people become environmentally conscious and appreciative the 'unique heritages' of destinations, noting the top cultural and heritage activities globally include visiting museums, art galleries, heritage buildings and historical sites and monuments (Swart, 2009:13).

2.3.1.4 Township Tourism

Many scholars and tour operators see Township Tourism (TT) in Cape Town as part of a cultural product offering. Tour operators in Cape Town largely characterise TT as a close-up look at the everyday lives of people living on the edge of what has been described as 'a city with two tales' (TT brochure, s.a.). Township Tourism (TT) is a new tourism phenomenon birthed during the post the democratic elections period, and is considered to be a niche market focusing primarily on international tourists interested in the culture and/or heritage of the host country. While many tourists come to see the natural beauty, and the flora and fauna of South Africa, there are others with a particular interest in cultural or heritage tourism

arriving in their numbers to have a close-up look at how local residents live in areas away from the city centre, in spaces previously designated for black South Africans, known as townships. They come to witness 'authentic urban living', to experience celebrations in the townships, and to experience what a typical TT advertisement calls 'the vibrancy and spirit of the people' (Kingdom Tours, 2012).

The part of this city which is close to the CBD or the city centre, looks and feels first-world, while the other, physically much further away from the centre, is where mainly poor, unemployed citizens live in poorly resourced townships and appears to be third-world or within the second economy. Some cultural and heritage tourists and tour operators see this product as part of the 'intangible culture', in terms of 'real life events' which include staged performances, dancing, singing, and learning to cook and eating in local homes. These township experiences are favourite product options and are seen by some tourists as 'more authentic' than those elsewhere in the Cape Town area, while others say these options are too intrusive for these communities (Thorne, 2011:16). Below see two key memorial sites are shown, they depict critical events during the Apartheid era;

Figure 2. A key site: A memorial to The Guguletu Seven who were gunned down in 1986 by the apartheid security forces.



In March 21, 2010, a monument was unveiled in Langa by the government in remembrance of the people who lost their lives in the Langa protests which took place on the same day as the Sharpeville uprising against the anti-pass law campaign in 1960.

Figure 3. A memorial to those who died in Langa on the same day as the world renowned Soweto uprising 1976.



Rolfes, quoted by Thorne (2011:16,40), recommends that operators should appreciate that tourists want to see and experience the complexities and diversity of the townships, despite any mixed feelings they may have about viewing great economic disparities in the city, and develop more educational and less commercial products to enable tourists to do this.

2.4 SMME Challenges and Constraints

2.4.1 Oversupply, Red Tape, Skill Deficit

The barrier for aspiring tourism entrepreneurs to enter into the tourism accommodation sector is low; most people do not need much capital to make minor renovations to their homes and as a consequence, the studies done in Soweto and Alexandra report an oversupply of accommodation enterprises in these townships (Rogerson, 2005b:634). This is one of the serious sustainability and growth challenges for these enterprises, given their geographic location, far from prime business centres, a factor which further hinders growth and makes business tourists unlikely to use their services, which could have been another potential revenue stream for TTEs (Rogerson, 2005a:20; 2009:34).

During the post 1994 election period governments assistance to SMMEs has been uneven and generic, and the institutions providing training for them offer solutions that are too simplistic, with very little co-ordination between agencies, and very little awareness of its impact (Rogerson 2009a:345). Government's assistance to SMMEs also involves an overwhelming amount of red tape in terms of the numerous compliances required and the

time it takes for SMMEs to access these. The costs for a business to comply with government regulations is the same whether it is a micro or big business, and this further inhibits rather than supports entrepreneurial endeavours. Rogerson (2009a:345-348) refers to an audit done in Soweto by TEP during 2005, which found that many B&Bs did not comply with the minimum requirements for operating a tourism enterprise. These included an absence of separate ablution facilities, off road parking, and fire extinguishers, and in addition, non-compliance with insurance or health and safety regulations was widespread.

The South African researchers Rogerson (2005) and Booyens and Visser (2010:381) seem to agree that there is a need for more innovative product development and that provision should be made for more education and increased awareness about the tourist market for TTEs, as well as a need for more planning around the reality of the seasonality of the tourism market.

Rogerson (2009:344) and the GEM Report (2003-2004) list many other constraints and challengers for SMMEs in general, and one can infer these apply to TTEs as well. These constraints and challenges include deficits in the entrepreneurial, marketing and management skills on the part of entrepreneurs, as well as how to maintain, grow a business or be in a state of readiness to take advantage of the opportunities linked to events such as the 2010 FIFA World Cup and accompanying events.

Other challengers identified were the numerous advantages white 'lifestyle entrepreneurs' have over the TTEs with respect to social and cultural capital, including language links to international tourists. These advantages make it easier for white entrepreneurs to access information on the marketing and product preferences of visitors/ tourists thus making it easier to cater appropriately and successfully to this market. Rogerson argues that do this lack of social capital and network linkages greatly disadvantages TTEs, and they would need government intervention and assistance to overcome these disadvantages (Rogerson, 2005a:4).

2.4.2 Tourism Packages, Local Benefits and Leakages

In the South African context Booyens and Visser (2010:280; 2012:371) report on 'mass tourist' operators bringing busloads of tourists into township areas on 'township tours'. These tourists are often just driven through the areas without stopping and without tourists getting out of the bus. Thus residents of these areas are simply being viewed, without any form of interaction with visitors. These researchers highlight concerns about the 'leakages', i.e. no money or other benefits flowing into these impoverished communities, since the packages are paid for by the tourists in their country of origin before their arrival in SA.

There are a number of TT packages or product options offered, which, apart from the last option, are alternatives to those offered by the 'mass township tourist' operators, such as:

- 'Walkabouts' in townships conducted by trained locals, who work as guides, and which include options to eat, mingle and meet with locals at township community projects, taverns/shebeens.
- Overnight at B&Bs or a Homestay establishment.
- 'Half-day Trips', which are Township tours primarily packaged by operators, as in a bus driving through the township with a stop or two to take pictures of locals and a visit to a 'social project'. These packages are sold to visitors before they leave their country of origin and are mainly for large groups (mass tourism).

Very few operators include an overnight stay at a township B&B in their Township tour packages. The explanation given for why such Township tour packages are not being offered or sold appears to be mainly due to the safety and security concerns of international visitors and/or of the operators. Rogerson (2005b:629) reports that less than 5% of visitors to South Africa visit Townships, and that even fewer sleep over in a township B&B, although no reliable data exists to confirm the numbers. It appears that, of the few tourists who do take township tours, even fewer spend money on food, crafts, or accommodation in the township, and thus there is little to no local benefit as the big tour operators who sell the packages are the only ones who benefit financially (Booyens & Visser, 2010:280). In the opinion of Booyens (2010), this unequal situation is mainly due to the operators selling the Township tour packages having no interest in seeing locals benefiting from these tourism products. Booyens (2010) suggests the practice of the Peruvian Tourism authority, which has tourism operators pay a fee to locals when they are visiting the Inca Trails, as an option that should be explored in South African townships to counter the leakage issue as discussed earlier (Booyens, 2010:284). A similar fee is charged for visiting UNESCO projects in Asia, together with warnings about the negative aspects of tourism about which communities need to be vigilant, where, for example only a few people derive income or benefit from the tourism related activities intended for broad based inclusive benefits (UNESCO, 2002:51).

2.4.3 Safety and Security

The perceptions and misperceptions by international tourists and local tour operators about the levels of crime in the townships are highlighted by a number of researchers (Nieman et al., 2008, Booyens, 2010). They offer numerous accounts of tourists remaining in buses

while on a tour of the township, and of tour operators not offering accommodation in a township as an option due to their perceptions of it being too dangerous and risky.

2.5 Classification of Entrepreneurs:

In some of the literature entrepreneurs (as opposed to the enterprises), are classified by their reasons or motivations for starting a business.

2.5.1 Opportunity Entrepreneurs

One type of entrepreneur identified in the literature is an 'opportunity entrepreneur', one who starts a business because he or she has identified:

- A need, a demand,
- An opportunity,
- A niche market for products or services which may be un-exploited or under-exploited.

These are profit-driven ventures and their owners are called 'opportunity' entrepreneurs (GEM Reports, 2003, 2004). There is an expectation that this type of entrepreneur could go on to be one with a 'high growth' business. This is a business which has the potential to expand, to employ more staff, and to create jobs. The Global Entrepreneurship Monitor (GEM) report for 2009 defines them as those who expect to employ at least 20 employees in 5 years time (GEMS, 2009:75). Rogerson (2005a) and Booyens (2010) both argue that black tourism entrepreneurs (TTEs) who are located in urban settings have started businesses largely due to a 'perceived opportunity', i.e. for economic reasons (Rogerson, 2005a:21; Booyens, 2010:378).

2.5.2 Necessity Entrepreneurs

The GEM reports make a distinction between entrepreneurs who start a business because no other economic options are available, i.e. there are no work options, or there are unsatisfactory options, and since these individuals need an income stream they are being 'pushed' into entrepreneurship. These people are then classified as 'necessity' or 'survivalist' entrepreneurs; they operate businesses which are not considered sustainable and are often not viable. The literature shows that many black emerging businesses in rural areas are largely under-funded, survivalist in nature, and the motivations of their owners for being

entrepreneurs have been linked to the lack of job opportunities locally. These entrepreneurs would therefore be classified as 'survivalist' or 'necessity' entrepreneurs (Rogerson, 2005; Tassiopoulos, 2008). Rogerson sums up the concern with which this aspect of SA's tourism economy should be viewed:

The existence of an increasing pool of 'marginal' or survivalist' tourism SMME entrepreneurs is one of the most disturbing and distinctive aspects of the South Africa's tourism economy' (Rogerson, 2005b:630).

2.5.3 Lifestyle Entrepreneurs

The research of Booyens and Visser indicates that, in contrast to necessity or survivalist entrepreneurs, there are tourism business owners in rural areas or small towns who have chosen to start businesses in this sector for what they classify as 'lifestyle' reasons. This concept, based on the entrepreneur's personal qualities, desires and motivations, is manifested internationally, in the UK and New Zealand in particular (Booyens & Visser, 2010:371; Rogerson, 2005:3). They describe these entrepreneurs as having some or all of the following characteristics:

- Mainly white and female,
- Generally aged 50 plus years,
- Their enterprises are well self-funded,
- They have social capital,
- Many however, do not have partnerships with black businesses (Booyens & Visser, 2010:377).

These researchers also argue that the motivations of these (white, rural based) entrepreneurs for starting these enterprises are primarily the achievement of non-financial goals, viz. their key focus is on lifestyle. Their choice to be in the tourism accommodation sector is primarily about living in beautiful rural surroundings, rather than their being focused on business growth. This kind of business is seen as the means of earning supplementary income, either while the owners are still working, or as a post retirement option. Neither growing the business nor job creation has been among the main reasons for establishing these businesses (Rogerson, 2005b:630).

Rogerson describes Township Tourism as largely informal and unregistered. He makes the case that the urban black entrepreneur's reasons and motivations show some similarities to

white 'lifestyle' tourism entrepreneurs. He notes TTEs and 'lifestyle' entrepreneurs share age and gender profiles (predominately female and 50 plus), some have professional or tertiary education; many have self-funded their businesses through the start-up phase etc. (Rogerson, 2005:20-21). According to Rogerson, most TTEs are in business not for 'lifestyle' or survivalist reasons, but for economic reasons. He however goes on to indicate that, due to the geographical locations of their businesses far away from the central business district (CBD) of the city, their limited knowledge of the tourism market, and to the limitations of their current Township tourism product offerings, they have reduced business potential for growth opportunities (Rogerson, 2005:15).

In contrast to the dominant business and tourism industry discourse, opportunistic, high growth entrepreneurs are the most 'desirable' in any sector (being those whose main focus, motivation is growth and profit). A few researchers (Peters et al., 2009:8-11; Marcketti, 2006:241-245), argue that lifestyle entrepreneurs should be valued more highly than they have been, and be considered as 'leader users' who, through co-operation with growth orientated entrepreneurs, can contribute a relationship between the two types of entrepreneurs that translates into collective benefits. Other scholars such as Aghapour (2012) would disagree with this argument, and list the traits of lifestyle entrepreneurs as: "not growth oriented, low level of education and training, being satisfied with sufficient income to survive, appreciate quality management as deficits'. Thus they see these perceived characteristics as reasons to view them as marginal in any tourism plan (Aghapour et al , 2012:27).

Marcketti (2006) however advocates any incentivising of entrepreneurs in this sector should include Lifestyle Entrepreneurs, since they are on trend with today's lifestyle realities: longer life expectancies, the growing need for people to have a work- life balance, and crucial decisions made at particular life stages. Marcketti argues that their desire to fulfil the needs of their families or communities, which appears to be stronger than the need to grow their businesses, should be valued for the non-economic contribution these entrepreneurs make to the wellbeing of their broader community, as well as to the business sector (Marcketti, 2006:245-247). Peters et al.(2009) argue that many ventures are started by these entrepreneurs because they see the opportunity to take up an interest or hobby and make it a professional businesses, as a number of them have in the adventure tourism business (Peters et al., 2009:401). These researchers suggest that alternative ways should be found to train Lifestyle entrepreneurs, such as innovation experiential training which could increase their insight, network, and skills, and which would lead to increased benefits accruing to the cluster of businesses or the region within which they operate. In this same vein Dalglish (2008:381) cites an interesting comparative case study between a Norwegian and an

Australian business school and Lifestyle entrepreneurs, from both countries. Innovative training and peer learning was found to increase their networks, and skills, and to grow their businesses (2008:241-245, 256). Dalglish (2008) suggests that this model for training would be valuable to many similar Lifestyle Entrepreneurs in SA. Marcketti (2006) takes the argument further by suggesting that lifestyle entrepreneurs enhance social cohesion, that when in a cluster they benefit the broader economic and business sector, and indicated that this has long been overlooked by public policy and by research in this field (Marcketti, 2006:247).

University of Cape Town

Chapter 3 Research Methodology.

3.1. Research Design

This case study comprises five entrepreneurs in the tourism accommodation sector who are located in the Guguletu and Langa townships outside Cape Town. The primary research method used was in-depth interviewing and the research included using multiple sources of information such as, policy documents, brochures, pamphlets, annual reports, related websites, and discussion and observations as well as interviewing key industry persons to provide supplementary information, (De Vos, 2002:275). Baxter and Jack (2008:545) describe the advantages of this approach:

The case study approach facilitates exploration within context using a variety of data sources... ensuring an issue is explored through a variety of lenses which allows for multiple facets of the phenomenon to be revealed and understood. (Baxter & Jack, 2008:545).

This research model made possible an examination of the selected literature and policy documents and a critique of the research findings of Rogerson and others regarding SMMEs and TT entrepreneurs.

The perspectives of the respondents were elicited and probed in order to uncover their motivation/reasons for being in the sector and the meanings they attribute to their experiences as TTEs. Thus this is an exploratory case study, which is the most appropriate methodology to apply for research involving people and it is a qualitative approach. I hoped during the process to come across some unexpected views and to uncover a more complex account of life as a TTE. Marshall, in his books on qualitative research sees 'the qualitative approach to research is uniquely suited to uncovering the unexpected and exploring new avenues' (Marshall, 1999:2, 38).

This research was aimed at establishing whether the findings of this case study would contradict or confirm the findings in the literature and research on the constraints, the challenges and the reasons offered for black tourism entrepreneurs being in the bottom tier of this sector (Rogerson, 2005b:629). I heard from TTEs themselves about their levels of education and their knowledge levels of the tourism market, and the distribution and value chains, and looked for any "skills deficits" emerging from amongst them, as suggested by Rogerson and others (Rogerson, 2005b:632). I then assessed the extent to which these factors impacted on the success levels of their ventures, if at all, or whether other more

complex patterns and themes developed. Any mismatch which emerged, or alignment to government's key objectives for this sector, was examined.

According to Soy, a key strength of the case study method is using multiple sources and techniques in the data collection process which ensures that its results will be applicable to real life; it also facilitates understanding of complex real-life situations. These provided opportunities for triangulation in order to strengthen the research findings and the conclusions (2006:2-8).

For the interviews with the TTE, I used a prepared interview guide, which served to focus the conversations and, while being flexible, provided some structure for the interviews. The schedule was tested in a pilot study to see if modifications were needed to the questions or to the themes, whether the allocated time frames were suitable, and to pre-empt potential problems before the actual respondent sample was interviewed (De Vos, 2002:337). I found the interview schedule worked well and required very few amendments. The importance of the TTEs words, the 'thick descriptions', together with my written notes of the respondents' observable behaviour, was followed with a detailed analysis which yielded valuable explanations as Marshall suggested a qualitative research model should deliver (1999:16).

Since this interviewing method generates large amounts of raw data, I prepared databases with the help of excel spread sheets to categorize, sort, store and retrieve the data for analysis. Separate notes were kept of facts, opinions, unexpected insights, and stories which emerged during the field work (Marshall, 1999:197-198).

I resolved to maintain reflexivity through cross-checking, by being open to self-awareness and self-correction, and after the write up, I sought feedback from, and checked for accuracy with, some of the informants (Strauss & Corbin, 1998:216). I tried to be aware of preconceptions and biases and had to be responsive to any real life situations, concerning both the respondents and myself that could disrupt my plans, especially since I had a tight schedule trying to balance work, family life and completing the mini thesis.

A type of non-probability sampling strategy was used in this study, namely purposive sampling. Purposive sampling entails selecting a sample based on the researcher's knowledge of the group under investigation and is based on the actual aim of the research (Babbie & Mouton, 2006:166). I was able to negotiate entry into the group with the assistance of the local tourism office help-desk representative. She gave me the local Cape Town Tourism (CTT) membership list and provided me with additional information about the TTEs on the list, such as directions to their homes and the approximate length of time their businesses had been operating.

Baxter and Jack (2008:546) and others have suggested that, once one has decided that a case study is the best method to answer the research question, one has to set boundaries to it to ensure your study remains reasonable and do-able in scope in terms of time and place, time and activity, definition and context (Yin, 2003; Stake, 1995; Creswell, 2003; Miles & Huberman, 1994). I then set three criteria for the selection in terms of who could be included in this case study:

1. They had to be owners offering accommodation to tourists (i.e. Guesthouses, B&Bs, homestays, backpackers etc.), and operating in Guguletu or Langa,
2. They had to be members of Cape Town Tourism (CTT), and
3. They must have been operating their businesses for at least 2-5 years.

Some of the reasons for the criteria includes the fact that many experts consider 3-5years as the range for a business to be considered as a 'new business', while a 'start-up' business is one that has been operating for up to 3, 5 years, and an 'established business' as one which has been operating for more than 3, 5 years (GEM Report 2010:26)

Membership of the CTT was used as an indicator of being part of the formal structure in the sector, of having some awareness of the sector support structures, and as having been operating for a reasonable length of time, to have been exposed to, or received other government or tourist authority assistance or tourism education. Another element that defined the selection was the convenience, willingness and availability of the entrepreneurs; thus it was a form of convenience sampling. I telephoned those on the membership list who had been operating for two years and more, and explained the purpose of the research and asked whether they would consider being part of the research and be available to be interviewed during a given week. A number of entrepreneurs met all the criteria but were not available during the specified week I had set aside to do the interviews, so I had to move on to the next available person on the list.

3.2 Data Collection

Five in-depth semi-structured interviews were conducted (including the pilot), two in Guguletu and three in Langa, with owners at their homes which were also the sites of their businesses. The interviews were conducted by myself and took 50 minutes on average, and were conducted during one week in December 2011. The data was collected through face to face semi-structured interviews, using a predesigned interview schedule which had various themes that related to the research question and the literature reviewed.

Although the interviews were done in one week, I had spent large amounts of time over a number of months prior to this speaking to people from the industry, to other tourism entrepreneurs, staff at the Langa and Gugulethu Tourism Visitors Centres discussing what I was attempting to investigate in this study. They gave me numerous insights into the challenges and constraints operating in the sector from the perspectives of local government officials, policy makers, entrepreneurs, and community members. I had in the interim begun to work for local government and had developed somewhat of an insider's view on how local government could assist these TTEs. Topics that kept arising in these conversations were about the vandalising of memorial sites, inadequate or none existent tourism related signage, and the feeling by some residents of being in a 'zoo' when big busloads of tourists arrived and did not stop or engage in any meaningful way with locals. There were suggestions that tourism brings little benefit to the broader community, and that the local tourism sector is not united or organised, which makes liaising with TTEs challenging for officials. Some entrepreneurs felt their real needs were not understood, nor were supported by tourism authorities as they had hoped, especially in the lead up to the FIFA World Cup.

The themes included in the interview schedule were: demographics and education levels, motivation for starting a business, classification of entrepreneurs, products offered etc. These were largely extracted from the literature of Rogerson and others who have studied and written about entrepreneurs, SMMEs and TTEs (Rogerson 2005, 2008, 2010; Booyens & Visser, 2010; Nieman, et al., 2008). Semi-structured interviews allow the researcher to retain control over the flow of the interview, it allows for flexibility for both the interviewer and the respondent, and provide for 'diversions' and digressions as well as for the inclusion of questions that may arise as a result of what emerges from the interview. This facilitates candid conversations and freedom of expression while keeping to the topic, thus making this interview method a very appropriate method for a study of this nature. Other sources of data were collected from various documents, brochures, and websites, and were used to provide a background to, and to corroborate the information given by the respondents.

Three key informants (KI) were also interviewed using a different interview schedule. One key informant (KI-1) works for the Provincial Governments Destination Marketing Organization, which is mandated to lead and provide the policy framework for the Province. The other informant (KI-2) works for the Local Government Tourism Department, which provides the policy framework for the City of Cape Town. KI-(3) works for a local tourism operator company which designs and sells tour packages, including township tours, to international visitors. Two interviews were done face to face, and one was conducted telephonically. These interviews were conducted after the earlier interviews with

accommodation owners had been coded and analysed. The intention was to hear their stories, to see if they would provide corroborating information to the data collected in the case study, or provide contrary insights, and/or extend some of the views solicited from TTEs and from the literature.

Permission for further follow-up interviews via telephone to confirm, clarify or ask additional questions was requested from all respondents, and given without hesitation by each respondent. The responses to some of the interviews were both recorded by means of notes written by myself while the interview was being conducted, and by means of recordings made via a cell phone, after permission was obtained from each respondent to do so; the remainder of the interviews were recorded by note taking only.

The number of respondents in the case study is five, from a group of 14 TTEs who are operating and were on the Cape Town Tourism membership list and are in the geographic area, and thus constituted a convenience sample (availability). I argue that, while the number of respondents in the case study could be considered small, they are representative and enabled definite patterns and trends to emerge from the data. However, in order for the findings to be generalized to further studies would require a wider geographic area and a higher number of TTEs.

3.3 Research Ethics

Owing to the nature of qualitative studies, ethical considerations need to be taken into account because the actual context of the interview, and the interaction between those conducting it and those who respond, can affect the interview. As such I was conscious of needing to ensure that the dignity and human rights of each of the respondents be taken into consideration. When one TTE asked me not to record an answer she was about to give to one of the questions, I switched off the cell phone to honour this request (Kvale, 1996:109). In addition to this undertaking, I gave them the assurance that their names would not be used in the writing up of the research, the instead pseudonyms would be used, which I hoped would allow them to be more candid when interviewed and to feel free to share information.

To comply with all these ethical considerations, the interviews were conducted with the informed consent of all the TTEs. They were made aware of the research purpose, were given an overview of the interview schedule beforehand, and asked to give verbal consent to participate in the study and to allow the sessions to be recorded. They were also made aware of the fact that their participation was voluntary (Kvale, 1996:112) and that they did not have to feel obligated to answer questions that they are uncomfortable with. I was also

Careful to be self-aware and self-reflexive in making sense of the phenomena in context, to avoid imposing my own beliefs, assumptions, and biases on the data (Bowen, 2005:214)

3.4 Analysis

Yin (2009) describes five techniques for analysis: pattern matching to propositions, explanation building, time-series analysis, logic model, and cross-case synthesis, while Stake (1995) describes combining categories and direct interpretation as options. A number of these techniques were used in the analysis of the data.

A case study is unique among other qualitative approaches, because its multiple sources of data converge in the analysis process rather than requiring to be handled individually. Each data source is but one piece of the 'puzzle, each piece adding to how one understands the phenomenon and adds to the strength of any findings; the various strands of data are 'braided together' for greater understanding using within and cross-case analysis (Baxter & Jack, 2008:554).

To improve the reliability of the case study, and to enable effective organising, tracking and organising of the data sources, I prepared a template using a MS Word table to store the information of the databases, and to link the data, including notes and other sources. The method used is called 'template analysis', which is a particular way of thematically analysing the qualitative data. The data included the notes from months of informal discussions with various people in tourism, officials, tour operators, and transcribed interview scripts, my notes from telephone responses, brochures, and internet sources. The template analysis involved developing a 'template' after the transcripts were transcribed and the themes identified, and then applying the template to every data set, then coding the data by hand. The data was then summarised as the themes identified by me, the researcher, and then organised in a meaningful way. The process started with 'priori codes', which are themes, identified in the literature and those that could be expected to be found in the data. These helped to accelerate the initial coding phase of the analyses (King, 2012).

3.5 Limitations

To address the issue of reliability and validity in qualitative research, triangulation must be ensured, using multi sources of documents and comparing interview responses, as mentioned earlier (Babbie & Mouton, 2006:275). In qualitative research the sample representativeness is relatively limited and this study represented an attempt to hear the voices of five TTEs whose voices have not been readily or widely heard in the existing literature. Cape Town Tourism's (CTT) local membership list showed the total number of

TTEs offering tourist accommodation in the Guguletu and Langa area to be fourteen. Generalizability was not the intention of this sample; instead 'thick description' was planned for, so that a more layered account could emerge of how the respondents experience the sector, the goals government has, and what these entrepreneurs consider to be the challengers and constraints facing them. The intention was for these to surface during the coding and analysis, so the size of the sample was not statistically determined (Marshall, 1999:193; Sarankos, cited in De Vos, 2002:334). However, five out of fourteen members of the CTT were considered for the purposes of this study to be fairly representative of the TTEs in these geographic locations.

Field notes were taken at every interview, the interviews were recorded and transcribed and after each interview I reviewed the notes and transcriptions, and added notes and other impressions. I consider this study to have the highest level of validity and reliability that I was capable of achieving.

One of the limitations of this study is that other procedures to increase its validity and reliability could have been employed, such as conducting the field work in collaboration with another student: this may have helped me with my field notes, my fellow researcher helping me to clarify, or offer other or alternative impressions or understandings. This would have enabled me to do member checks. However, being a mature, working student, and not knowing anyone in this year's post graduate class who could serve this role, made it very difficult given my time constraints. Thus it would have been a difficult and probably unworkable and not a feasible option in reality.

I however reviewed accounts left on a range of websites by TTEs and tourists, bloggers etc. who had interviewed or spent time with TTEs, and amongst these I found many accounts that corroborated what the TTEs in my sample had given me, and confirmed the impressions I had formed. I also ran some of my key impressions of the TTEs' responses past the two government officials I interviewed. I will elaborate on these in the discussion section. They confirmed one or two of my impressions, and, in some instances, expanded these with their ideas. I suggest that all of these enhance the validity and reliability of this study.

Chapter 4. Findings and Discussions

4.1 Introduction

As stated earlier, the study set out to examine and establish what the intended outcomes of the state's strategic policies for tourism are, to compare the findings from the analysis of the data collected from this case study, and to establish whether the motivation and business operations of the TTEs interviewed confirm or differ from Rogerson's research findings, and if so, to what extent? In addition the aim was to examine and establish whether and to what extent these TTE businesses are aligned to or mismatched with the government's goals of local economic growth, poverty reduction, job creation and transformation. From the conclusions certain recommendations are offered to policymakers, officials and development practitioners working with this sector on how better to support the TTE sector.

4.2 Overview of Respondents

All of the respondents were female and four of the five respondents were over 60 years old, and had therefore retired and were receiving some form of pension. They reported that they used a portion of their lump sum pay-out to start their TTE venture. The fifth respondent was younger but her husband had retired and they had used his pension pay-out to start their B&B business. The respondents' qualifications ranged from matric to post matric vocational qualifications, including one respondent with a M.Ed. degree. Their primary product offering is providing B&B accommodation to tourists. They have been operating their businesses between two and eight years. The respondents were all members of the CTT and they were found on the CTT database. Table 1 below shows the demographic details of all the respondents.

Table 1. Respondents' Demographic Details

Case Study Respondents (R) (TTE = each given code e.g. R(a), R(b))	R(a)	R(b)	R(c)	R(d)	R(e)
GENDER F= female	F	F	F	F	F
AGE: 60+	X	X	X		X
35-45				X	
EDUCATION highest attained : 1.MATRIC				X	
2.POST MATRIC DIPLOMA / DEGREE	X	X	X		
3.PG QUALIFICATION					X

Once the fieldwork interview schedules and notes were transcribed, the following themes emerged: motivations for starting a Township B&B included Income generation and to serve their community, the challenges and constraints of TTEs including leakages and packaging, perception and misperceptions of crime, categorization of entrepreneur's, government policy outcomes, and comparisons of the case study's findings and discussion to be made with Rogerson's research and findings.

4.3 Themes

4.3.1 Motivation for Starting a Township B&B – Income and Serve Community

To be able to answer the research question it was important to hear from the TTEs their reasons for entering this sector and choosing to start offering accommodation to tourists. Three of the respondents had been health professionals, one had been in education and one had worked in a few restaurants. The data revealed that prior to starting their B&Bs, all the respondents had heard or seen tourism being promoted as an attractive business option. While some of them could not pinpoint a specific talk or event, each recalled that they had heard someone on the radio or television talk about it. Each of the five respondents said that when they heard about tourism and the opportunities it presented (albeit at different times and ways), they recognised it as an opportunity, something they could do with and in the 'next phase' of their lives.

Although four out of the five respondents were already retired or about to retire, they said they either wanted or needed to have an income to supplement their pensions which were meagre, given that they had spent most of their working lives under apartheid and had received very poor compensation (most black people were paid very low salaries under apartheid laws). At the time that they were contemplating entering the tourism industry, some respondents were already engaged in other income generating activities and this tourism sector option was first investigated by each one of them, and then pursued as a business 'opportunity'. 'Opportunity' is in inverted commas because, as I will explain later, this term needs further exploration, due to the contradictory views in the research on black emerging tourism SMMEs and their categorization as entrepreneurs.

When these TTE owners were asked to provide the key reasons for starting their B&Bs, their answers ranged from hearing about government's tourism promotion efforts or the upcoming World Cup, and the related opportunities in tourism; one said 'I saw a gap in the market' R (c). Interestingly they also referenced starting the business as an opportunity to help their

communities, to assist with reducing poverty and to create jobs, rather than simply to make money or for profit. One TTE said 'We want to empower our community through tourism...'

What was especially noteworthy was how they wove into all of their accounts of this process not only the benefits they saw for themselves, but also the ways in which they could help benefit the poor people in their community. They spoke of this as one objective; each one of them said something along these lines without any prompting from the researcher. R(b) told me that, when she heard a Khayelitsha TTE on the radio, she immediately decided that was what she would do, and, after doing some investigation and before doing anything to her home, she invited her neighbours over to explain to them what she intended to do. She went on to explain that she knew she could not make this B&B work if she could not include her community, if she could not find a way for the community to support her.

I just had a gut feeling I would enjoy this, and I went and invited the whole street's neighbours for dinner. I said I need their support for the visitors' safety. I explained everything, how this thing would work, how they and the whole of Langa will also benefit....(R(b))

She said she realised that with this venture she could also provide opportunities for them to earn some income. She told me that she, for example, always takes visitors to nearby non-government organization projects (NGOs), to the shebeens down her street to dance, to drink beer and have a meal. She also lets her guests park their cars in her neighbour's driveway: 'so that their son can wash the car and so also earn some money, because there's a lot of poverty here, you know'.

As stated earlier, these TTEs each have a tourism sector business, and their core product is accommodation for tourists. Some also target locals who may be working or residing in other provinces but come 'home' for holidays or, when doing business in the city, they choose to stay in the township for a short period.

The TTE respondents also reported that, when they have guests booked to stay overnight, after breakfast they do walking tours in the township if the guests request these. They visit various places in their area, introducing or showcasing community projects and people, shebeens, local eateries, visit sangomas etc. However, none are accredited guides, which is a requirement of the local tourism authority, and yet they regularly offer these 'walk-about' as an extension of their B&B services, to give guests "a real feel" of the township R(d), but at no extra charge. None of the TTE respondents charged for this as extra services offered.

One TTE, R (b), arranges to have the visiting tourists' cars parked at her neighbour's property. The neighbour's unemployed son then washes the car for a tip. She told me she arranges this "because there's so much poverty here and so I want to help". She also has a condom dispenser box near her front gate, and when I asked why, I was told, very casually as if this is the norm, "Oh, this is for the youth who all know I have it here, they find going to the clinic nearby too intimidating, I also have moms bring their sons to me to examine their boys before going to the initiating school"(R (b)). She also collects and gives clothes (which she said she gets from wealthy Capetonians) as well as food to HIV patients who attend the clinic nearby. This it seems is part of her way of living; her community service is just a routine, and payment for these 'extra experiences' of township life is not part of her product offering and she seems to not see that it could be and that it would increase the B&Bs' viability and profitability. When asked if they were aware of the prices operators charge for these walk-about tours, one TTE explained: "That's not what we want to do – to charge guests" R(c). They generally seemed uncomfortable with the idea of charging for some of these extra services, even though these are at the heart of their product and it is something one would expect an entrepreneur to be comfortable with.

All the TTEs explained that they are always asked by tourists for their personal histories and for stories about the township. It appears they are all busy with the oral retelling and rewriting of their personal and their communities' histories, that a form of memorialisation is happening. They offer authentic personal accounts of the apartheid years and post democracy period. The tourists who came for the culture and heritage offering attach great value to this offering, and by all accounts these TTEs are doing it well. The big Tourism Operators, who package the Township Tours for the international market have a packaged tour with an asking price for a half day tour that is double what the TTEs charge for their personalised tours which include a sleepover and breakfast (various brochures). The question then arises: are the TTEs in 'business', or are they busy with 'community service', and why are they not seeing this as an income opportunity, as a 'gap' in their business model?

In discussing this with the key informants (KI-1 & KI-2) they obviously disapproved of this widespread practice and argued that this is 'part of the problem'. One said the TTEs don't see what they do as 'guiding', a function which should be passed on to the trained local guides not only to ensure work for them, but also to get a uniform story told about the township. KI-2 suggested TTEs should get themselves accredited to do this and charge these guests, who expect to pay, for the service. He expanded on this by saying that they often "don't act like business people, they see guests as friends soon after they arrive at their B&B, so they can't ask for a fee, instead of seeing them as guests whom they should

be charging”, ... they should “stop seeing their business as only providing beds and breakfast, its more than that, and they should charge for the walk-about” (KI-1). This is an interesting finding which warrants further exploration in terms of how TTEs negotiate around being hospitable and friendly without compromising their role as professional service providers, whether more needs to be done to overcome deeply entrenched ideas, habits, and cultural norms in terms of how to host people who are inside your personal and private space. More investigation needs to be done in terms of the conflicting role of people (TTEs) who may not have had much, if any, experience of being guests themselves, nor the appropriate training which could seem to them to act contrary to what they would be expected to do when hosting guests according to their culture.

Serving their community seems to be of equal importance, if not more important, than running a profit-making business. None of the respondents seemed to know the ‘breakeven point’ of their business (i.e. the amount of bed nights needed to make their B&Bs viable), yet each of the TTEs offered extra options to their B&B clients, such as a visit to the nearby clinic, or a church service for free. If the research mentioned earlier shows that, on a national scale, only 5% of tourists who arrive in South Africa visit a township, every visitor should count for a TTE, and rendering other paid service to these guests while they are at the B&B should be important to the B&B owner.

Most of these TTEs are involved in a number of other activities which add to their income; this may be a way to compensate for the seasonality of tourism in SA, and the generally declining international guest numbers since the world economic downturn. The size and scale of these activities however appear to be small scale, almost survivalist in nature, leading one to conclude that they all appear to be about the TTEs employing a variety of livelihood strategies. Some of these activities have entrepreneurial features, as noted earlier, not because the TTEs have no other job opportunities, as ‘necessity entrepreneurs’ would, but because they are looking for opportunities to earn some extra income. Alternatively, these activities may actually be indicative that TTEs have other reasons for remaining in this sector despite low occupancy rates, and bearing in mind the seasonality of the business. Cape Town has peak tourism times over Easter and December to February; it is not busy year round. One respondent when asked if things did not improve, would she give up the B&B business, replied: “No! One has to be patient in this business; you can’t just give up”. Another respondent answered the same question with, “I wouldn’t know what to do if I didn’t have this” (R(b)& R(d)).

When KI-2 was asked what the payoff is for the TTE if not the profitability, sustainability or the money the business generates, he said he thought that “.. they enjoy the other things like

the social benefits of being part of a network of people within the tourism industry in City, ” and” I think they get to go to places and meet people they never would have...huge profits and job creation is not on top of their agenda”. This perspective seems to correspond with my observations when speaking to most of the TTE respondents about the number of occupied bed nights, and the rands and cents of the business. These financial concerns did not seem to matter as much to them as their hospitality, and it did not appear that some strategic thinking or decisions were being made about profitability within a timeline. Decision making in terms of when a different action may be required to change the outcomes was not apparent amongst all but one respondent, and maybe for some this indicates that running a B&B is simply a non-financial lifestyle choice.

Rogerson(2005b) and other researchers have found that emerging SMME owners, and TTEs in the main, have professional qualifications, and some have some savings to start the business, but lack the social capital and necessary business acumen. The research indicates that these emerging black entrepreneurs lack the networks related to the industry, the historical knowledge which their white counterparts would have acquired through exposure to travel, and the related products over many years (Booyens & Visser 2010). The B&B owners in the case study all appeared to be very good at showcasing their hospitality, introducing their neighbours, their neighbourhoods, and at telling their personal stories. They however displayed some kind of disconnection with the realities of the tourism value-chain, or were uncomfortable with having to sell the walk-about as a key product line. They seem to be more intent on treating this part as a ‘value-add’, and doing this without charging a fair price for these services or products. Taking people to meet locals, see historical sites, a tavern etc., it should be noted are vital tourism services rendered by a tourism business, since these tourist experiences add to the product line of TTEs, and to their income. The tour operators who do these half-day ‘whistle stop’ tours in Cape Town townships, and in fact around the world, to a limited extent (as described earlier) offer similar services for a fee. These TTEs only charge for the B&B service.

When I asked KI-2 to comment on my impression about the apparently casual approach of the TTEs to charging for all the services they render, he concurred and expanded on this. He explained that the TTEs who first entered township tourism (TT) in the early 2000s invested much of their savings in the businesses in the form of making alterations to their homes, but that they have not been able to grasp how the industry really works. He explained they had over capitalised on their homes and now cannot get their money out thorough selling them. He also shared his view that TTEs “cross the line between hosting and befriending these tourists, which then means they cannot charge for other services”. The other marketing official (KI-1) shared a similar view adding that TTEs don’t seem to know that the tourist in

fact expects to pay for these extras; they seem to feel these people become their friends once they are in their homes and so they don't feel comfortable charging them or talking about money.

Most of the TTE respondents spoke of the tourists not as clients, but as 'friends who, once they leave, will come back again. Most reported that clients said they were referred by someone or called because they liked the comments posted on various websites by people who had been hosted at their B&B. These observations are important in terms of developing TT and government fulfil its goals, and need to be further researched. If it is indeed the case that TTEs lack the business acumen to make their enterprises profitable, it may also indicate the need for some adjustments to the education and training at SETA and/or FET level, of TTEs, offering programmes which incorporate the ability and skill of distinguishing and identifying local cultural norms and practices around hosting, and how to adjust to these in the context of the a hospitality industry business in the homes of TTEs. They seem to get a 'pay-off', not from money changing hands for their walk-about tours and oral history accounts, but instead from simply becoming well-known in their communities for bringing foreigners from far away into their community, and to the community based organisations (CBOs) and NGOs, which sometimes benefit from donations and the numerous times some tourists return as volunteers. Through these, TTEs have increased their social standing as people with 'outside' (i.e. out of the township, international and tourism sector related people) connections. There are numerous accounts, anecdotal and on the web, by tourists and guides of how TTEs seem to be known by everyone they walked pass in the township, being greeted by name everywhere she or he walks in the township.) Katrina Hülsekopf seems to have similar findings, in her thesis she interviewed women from the tourism sector in Cape Town area she quotes one who told her: '...They called me the Sisi (sister) that goes with white people...I am more proud of myself, people can see, I became kind of a role model, I am something to other people...' (2011:42)

Being a member of the CTT should be a way for TTEs to be supported and assisted with the necessary business linkages to enhance or augment the social capital they may be lacking, as well as the marketing skills, product development and even pricing. The table below collates the motivations given by TTE respondents for starting their business.

Table 2. Motivations for starting a B&B

Motivations for starting	1	2	3	4	5
Government tourism dept./agencies promoting tourism-on radio or TV	X	X	X	X	
World cup					X
Saw opportunity- a gap		X		X	
Previous experience in the industry				X	
Other	X				

4.3.2 Challenges & Constraints facing TTEs**4.3.2.1 Crime, Safety and Low Numbers**

The findings of this study appear to suggest that a very small percentage of tourists who come to Cape Town choose township accommodation. The literature has repeatedly indicated that entrepreneurs in this sector, like most SMMEs, face numerous challenges and recent research has shown that less than 5% of visitors to South Africa choose to do township visits (Rogerson 2005a:12).

Some of the reasons given for these low numbers have already been touched upon: the geographic location of townships is too far from centres of popular tourism sites to attract the business segment, a segment which could add to their viability (Rogerson, 2005:634). Most TTEs reported that there was also a perception on the part of potential visitors that the township is dangerous, in the media, in tourists' minds, as well as in the minds of both black and white local South Africans. A few TTE respondents recalled incidents of tourists cancelling bookings for township B&Bs, which had already been confirmed and paid for, soon after they have arrived at Cape Town airport. A number reported that tourists have repeatedly told them over years that, while they were busy hiring a car to get to their township B&B, staff at the airport tell them not to visit the township since "it's dangerous". Two TTEs mentioned that the reports in the international media of the recent 'Dewani' murder case also 'hurt' their product when the news broke of the murder of the tourist and for months after the incident, one R (e) said: '... when I'm at craft markets, because I advertise myself, I put flyers and business cards, so I say I also have a B&B, then they say "oh, how is the crime" and also this Dewani thing'. However all the TTEs agreed that, once tourists actually arrive in the township, they are able to see for themselves that these issues are 'exaggerated'. TTEs all spoke of how they have involved their neighbours in their goals and that offering the community some of the benefits of their businesses helps keep the guests safe as well.

The tour operator interviewed as one of the key informers (KI) in this study, also thought the low occupancy of B&Bs was due to visitors' fears about crime and safety. When I asked what he thought was the reason for this, he explained that he 'has to set aside' about ten minutes at the beginning of each township walk-about tour they offer to answer questions and allay fears expressed by the tourists coming on a walking tour into the township (KI-3). He explained that this is an indication that even those who choose to come to the Township are still feeling very apprehensive about being there when then they arrive.

One TTE R (b) shared her story about when the Minister of Tourism stayed over at her B&B one night in 2004. She recalled the ironic story of how his security guards appeared uneasy while in her B&B. She said she responded to this by bringing them coffee in the room and had to reassure them by saying, "It is safe to sleep here", reminding them that they had done their 'security drive' around her street, and she pointed to her burglar bars on the windows and doors and also told them that she had her the support of her community which would help to keep them safe. "Only then did they seem at ease; they were still sitting on the bed with their suits on," she said smiling.

While there may well be issues around accommodation oversupply here in Cape Town as in Soweto but due the resultant low occupation level of B&Bs (Rogerson 2005:634) the TTE respondents say they do need more tourists to come through the townships and each person said there is an urgent need for authorities to address people's fears and/or perceptions, both those of the residents and of visitors around safety and security in the townships. Whether real or imagined, these perceptions are pervasive as surveys done by SA Tourism tourists perceptions of SA have indicated': issues around safety and security feature very high on the list of tourists' concerns. While visiting a township is promoted as a key tourism experience in brochures and tours offered to and within South Africa, most tour operators, do not offer a 'sleepover at a B&B in a township' as part of their tour packages. In the both local and international media, as well as anecdotally, crime and safety concerns in townships constitute a significant deterrent for tourists. Consequently, before tourists arrive in SA, as well as when tourists are in SA, most tourism operators choose to offer only half day whistle stop tours into the township.

The most surprising finding for me was that so many locals of all races, rather than the foreign media, were named as the messengers of scary 'crime, and security' stories to potential visitors to townships. What follows is an extended account to illustrate the point that often these alarmists have themselves never been to a township, yet choose to convey these crime and safety concerns to others, and in the process hinder what should be a growing and thriving business sector.

An example of this is the account given by R (b) of a British guest who called from England to enquire about staying at their B&B and then paid in advance to stay over. On the day she arrived at Cape Town International airport, the tourist called to cancel and she said she did not want a refund, although she apologised and explained that it was because her sister, who lives in Constantia, had said it would be too dangerous for her stay over in Guguletu. This TTE then asked whether they could they meet, and it was agreed they would meet at the V&A for coffee. Once there the TTE convinced the British guest and her 'Constantia sister', to follow her to Guguletu. When they arrived there, she had scones and tea ready, which she served, and they stayed for a while, toured the B&B and left. She recalled that days later the Constantia resident called to book an over-night stay for her teenage twin sons. The Constantia resident said her sons were: "so were fascinated by what they had heard from their aunt and their parents about the visit to the B&B earlier, they now wanted to stay over at the B&B". This overnight stay turned into a weekend stay for them, and another visit followed when they celebrated their birthday later that year. The TTEs reported that they did not want to go home; she introduced them to her neighbours, and to her children and grandchildren. Even though their mother called numerous times throughout both weekends, she recalled that they didn't want to answer their cell phones, to confirm when they had to be picked up, and that they had said that 'this was the best time they had had anywhere'.

This account highlights the many ways Township Tourism is domestic tourism's missed opportunity. It occurs to me that TT could so easily become a tool for government / City officials/tourism authorities to use to integrate the nation-building, social cohesion, social transformation aspects a campaign could bring, while also achieving job-creation and poverty alleviation goals since it presents opportunities for citizens. So often divided and isolated from one another, to meet simply as local people, to see each other through different lenses, learn about each, other cultures, and at the same time to build a key sector that can provide income for many low skilled, marginalised communities. 'White' business, both big and small, which have so little meaningful business linkages to townships or to TT, could also be enticed to build partnerships, and the value chains not yet explored or developed could be mutually beneficial. The social capital which these TTEs may lack, and which at present hinders their penetration into the international market, as Rogerson (2005: 631) has noted, would be less important since they are local and quite capable of bridging the domestic complexities, and overcoming the apartheid legacy of pain and separation, as our recent history and the reports of the spirit and warmth of township people has shown us.

Tourism stakeholders, including TTEs, should focus on reaching out to people within easy reach, people who are local and could easily be in the value-chain of the TT business, the friends and family of potential visitors to townships, and Airport car hire and Tour Operator

staff. All of the TTE respondents, except one, when asked who their target market is, named the international tourist market, completely overlooking the possibility of building a business with locals as a crucial market. On the other hand, this simple narrated incident could also be used as an indication that a simple cost effective strategy can be employed to change this current common practice of warning tourists how dangerous the township is, to one which encourages more visitors to the townships, and so see an increase in the numbers of people staying over at township B&Bs. This promotion strategy would also align to the strategies set by the government for the next five years, which include the goal of building domestic tourism (National Tourism Sector Strategy, 2011). This negative perception could be turned around by simply inviting tourists, both local and international, to see the township, the B&Bs for themselves, to meet the TTEs and to experience their communities' friendliness. I experienced each of the TTEs as warm, wise and considered their very human persona, to constitute a very valuable part of their product offering, a quality which most international visitors describe in social media platforms and brochures as being what they noticed and valued most about their township hosts. Ivanovic has highlighted the importance of retaining the authenticity of cultural tourism, and not commercialising these aspects, has been emphasized by researchers and should be taken seriously by product developers (2008:324-36). Local government together with their partners the tourism bodies should lead with private sector, including TTEs, to drive this turnaround strategy.

4.3.2.2 Culture and Heritage - Packaging the Township

Township Tourism has become a generic term for visiting areas previously designated for Africans and there doesn't seem to be a unique selling proposition (USP) for each one on of these townships, resulting in tourists and tour operators choosing just one township for tourists to visit when in South Africa.

Each respondent was asked what she thought the USP for her township is. Between them the respondents shared very little to no specifics, most saying 'the history of the place', while sharing very little that was not generic South African township history. This has meant that tourists who arrive in Johannesburg (JHB) choose to go to Soweto which has had more international exposure given to the historic events such as Sharpeville in 1960, and where the past houses of icons such as Bishop Tutu and Nelson Mandela are still standing and have acquired museum status. When these tourists then go on to Cape Town, many assume that once you have seen one township 'you have seen it all'. There appears to have been very little thought or work done by TTEs in their local fragmented tourism forums, or by the local tourism authorities with regard to updating the TT product offering, or providing a focus on their specific township's USP, why visitors should come there rather than going

elsewhere. None of the TTEs in Langa mentioned the 'Langa Quarter' also called the Harlem Avenue Project, it's a project which Provincial government together with a few private sector bodies are supporting to create a themed route which will focus on local jazz and historical figures who lived in this township (www.langaquarter.co.za). This may mean that the project hasn't included them or gained enough momentum yet. This kind of themed focus including accommodation, the arts sector, building some form of clustering should be further developed and supported to begin the building of USP for townships in Cape Town. Several researchers have also advocated for innovation in this sector (Booyens, 2010, Ivanovic 2008).

Two of the TTEs appeared to have had 'greater successes' with hosting tourists than the other three. The first two had done very interesting, somewhat unconventional, marketing to have guests find them and stay over at their B&Bs. They communicated their understanding and commitment to their business and shared their marketing strategy, which could best be described as primarily 'guerrilla marketing', which can be defined as a form of unconventional marketing intended to get maximum results from minimal resources

(Marketing Terms Dictionary).

The following examples to illustrate both how opportunistic these marketing strategies are, and also to show how ad hoc these efforts appear. The two TTEs have marketed their B&Bs via international students they meet in the township, or those who have previously visited and stayed over at their B&Bs, and even via journalists whom they meet and are granted online and radio interviews, and to TV journalists when some TV coverage is offered for broadcast in Europe, especially in the lead up to the World Cup in 2010. Another TTE respondent, R (d), recalled how a European journalist interviewed her and how guests, who arrived at her B&B subsequently reported they had read these articles and reviews. She also recalled that on numerous occasions, tour groups came for lunch to their B&B and then, " ...because the guests felt our warmth," they called days later and a few people would then book to stay over at the B&B.

Most of the TTE respondents did not have a formalised marketing plan; none had a marketing budget but had used every opportunity to get exposure beyond where they are located, using 'street smarts'. These TTEs have learnt how to spot an opportunity to connect and to persuade tourists, who may have been apprehensive before they arrived in the township, to change their minds and stay over. They reported that their guests return to their home country or suburb (including a few locals) and then refer their friends to the B&B. These friends then have no reservations about staying in the township, having heard a first-

hand account from a friend who has been here and had had an interesting and enjoyable time, as the examples above indicate. This aligns with findings in studies done which confirm the importance of word of mouth marketing (Tassiopolous, 2008:297) and corresponds with the growing phenomenon of tourists going online and on to social media sites to see other tourists' comments and accounts of places visited. This was also confirmed as a very common practice by the participants in this case study.

The fact that so few tourists come into the townships and stay over makes it obvious that a very different approach TT marketing is needed. The efforts of the TTE respondents at marketing their B&Bs were all informal, ad hoc methods that were not able to sustain any business, especially not such micro enterprises, situated far from their target market. Upon my enquiring about the role of Cape Town Tourism (CTT) in the marketing of their B&Bs, each one of the TTEs reported that she found the networking sessions offered by the CTT necessary and useful, but thought the membership fees were too high. Most could not recall whether they had ever received referrals for tourists to stay at their B&Bs from the CTT office. They were therefore not sure if the CTT membership fees justified their continuing their membership into the next year. One TTE, R(d), reported that she always got business through attending their networking sessions, and that she always invites people at the sessions to come for a short time to visit her B&B/Guesthouse so that they can experience her accommodation and then recommend her B&B. She often used this type of ambush marketing, again by-passing all the established marketing and communication channels, and said it worked for her business. It should be noted that the CTT has a sliding scale membership fee for emerging Historically Disadvantaged Individual (HDI) businesses, and that this fee increases over 3 years, while it starts out being less than R200 p/a in the first year, and a pro rata rate increase happens in over the next two years. Only one respondent reported that she R (b) had some form of partnership with a tour company which regularly brings tourists into their township and that this is an informal partnership with no MOA or contract in place. Four of the five respondents identified international tourists as their target, yet they had neither a plan to do regular marketing, nor to attend some form of tourism related exhibition where these clients could be found, nor a marketing strategy to be implemented on the internet or via the social media.

As part of my triangulation of the data, I went into the Tourism Information Office (without declaring my status as a student doing research), in Berg Street in Cape Town, and asked at the front desk for a recommendation for where to find a B&B to stay overnight in the surrounding townships. The staff looked puzzled and took some time to give me a list of all their B&B members in the City. They then, upon further enquiry, admitted not knowing offhand of any B&Bs in Guguletu or Langa, and thus could not recommend any but offered

to call some of those listed. I then went to see if I could use the touch-screen tourist information box inside the tourism information centre to find some B&Bs on my own. It really was not easy, one had to know the suburb name, which I am not sure many tourists would know, and there was no easy link on the site to find township B&Bs. The whole Information office wall space was filled with row upon row of brochures, which could be overwhelming and confusing for a tourist, and again I saw no clear 'Township Tourism or B&B shelf or category, to help to find the relevant brochures.

This experience could be taken as an indication that this product (Township Tourism B&Bs) has not been given the visibility or support it needs. One should be able to both get an enthusiastic recommendation for one or two township B&Bs and/or be referred to a clearly visible or 'locatable' section in that office. I left feeling that the TTEs in this case study seem justified in wondering what they are paying membership fees to the CTT for. The internet, with social media references and links to their B&B, or related websites, seems currently to remain the easiest and most common point of contact and the best platform for reaching their target market, as was reported by most TTE respondents.

Kamillah Swart (2009) reminds us that the definition of cultural tourism, as it appears in the White Paper on Development and Promotion of Tourism (South Africa, 1996b), includes cultural aspects of potential interest to the visitor, as well as the customs and traditions of local people, their heritage, history and way of life. She also indicates that the definition of cultural tourism in the 2006 White Paper on Tourism is expanded to include culture, heritage and the physical environment (Swart, 2009:39). Township tours are packaged as 'cultural' tours by most operators and one could ask what is in a name in this sector? And it seems quite a lot according to KI (2). I was asked a series of questions while conducting the interview with the key informant about my understanding of the only name used by the TTEs, 'Township Tourism'. It appears that there has been some contestation around the appropriateness of this product name, something I had not heard elsewhere nor read in the literature. This KI-1 (an official) told me TT is: 'an old, tired label', which he said is "past its sell by date", and he explained to me that the City Tourism Department had proposed to the TTEs and to township tour operators, just before the 2010 FIFA World Cup, to consider changing the name. He reported that this message was not well received; these industry stakeholders responded by indicating that the product is already well known by this name and it is entrenched in the market. Thus the TTEs and tour operators were not willing to entertain the idea of changing it. He explained that these stakeholders (*the key product developers*, my emphasis), were 'just heavily invested in the name', because they had brochures and websites. However he was emphatic that change must come.

The fact that local government officials are advocating a product name change to private sector entrepreneurs, partners from a well-established world renowned product name, is interesting given that government's role is to create an enabling environment and see the private sector as the business, and the product creator. This contestation however seems to be more of an ideological stance, seemingly an isolated view, since, as mentioned earlier, I have not encountered similar views which seem not to be based on market or evidence-based research. In some places outside of South Africa, terms like 'slum tourism' have been used by scholars for this type of tourism about India and Gambia (Thorne, 2011). Frenzel & Koens (2012) have also reviewed the concept and its dimensions across the world and call it a 'relatively young area of research'. South African researchers seem agreed, with its well-known apartheid history and its historic transformation, the term is not used here and TT is not viewed as tired or derogatory by anybody other than, it would appear, this local government department. The two sides seem to have reached a stalemate, and no further discussions about this matter have since taken place according to this informant.

4.3.2.3 Grading, Zoning and a World Class City

The Tourism South African Grading Council, has set grading criteria for the tourism sector since 2002. Their website acknowledges that "there were inconsistencies, lack of uniformity in the awarding of stars, which has since 2008 been revised to world class standards...to ensure quality assurance for tourism". The TTEs have spent lots of their time and retirement money to ensure that their homes become and remain a key part of the tourism accommodation sector. Their B&Bs have very basic signage outside their homes, and very few road signs providing directions for getting to a B&B, and they generally have African themed linen in the guests rooms, one B&B having the big five wildlife painted on the dining area wall.

What was also noteworthy about the TTE product, their B&Bs, was the general condition of their accommodation offerings. In terms of the building design aspects, there appears to be a general mismatch of building designs. For example, one B&B has a type of modern façade, which is more or less clipped on in front of the old township house and then there are rooms added on at the back, including a wooden 'Wendy-house' perched on top of a sheet metal shack where the owner sleeps. It has a rickety 'staircase' to get to the room with no safety rail, the spacing between each step being uneven and too narrow to place one's feet securely. From the top it offers a wonderful panoramic view over the entire neighbourhood, the township and even Table Mountain and a bit of the ocean in the distance. According to the group of TTE respondents, two of the five B&Bs had been able to get a SA Tourism grading rating. This grading should in theory be reviewed annually, but, as

KI-1 told me, there is no incentive to do so since “it’s costly and the clients they attract actually don’t care about it”. He explained there is an expectation on the part of the tourist that the offering won’t be as perfect and stylish as the B&Bs in the CBD or the suburbs and that is fine: “It may be the appeal; it’s the evidence of ‘development’”. He pointed out that what these TTEs are selling is “the experience, that’s the most important thing they are offering, authentic township life”.

One B&B I visited had a premises which had large sections which were not plastered or painted on the outside, there was no balcony railing across the sliding door, and some of the finishing’s inside the new extensions really seemed below industry standards. One room had a neatly typed note stuck on the wall which read: ‘Apologies for any inconvenience while construction is being completed’. I was left thinking that guests would book out of a city CBD or suburban B&B if they saw such a facility, but that here it “adds to the charm”, it seems. All of the premises (according to my untrained eye), seemed to be flouting some building, planning or zoning regulation, for example, I saw no fire extinguishers which should be standard requirements in terms of health and safety regulations, while the rickety stairs must also be flouting building safety rules.

One assumes the local authorities’ building departments must inspect these properties, that they would also be able to see these substandard features, as well as the tourism authorities who offer the TT B&Bs CTT membership. However, it appears they are all overlooking these key elements. In many ways it seems these TTEs with B&Bs are being viewed and treated as any other informal business, where regulations are not as vigorously enforced as in other areas. Whether this attitude is helpful or acceptable in a key sector frequented by international visitors, and on which a government has staked such ambitious outcomes, is doubtful. There also appears to be no developmental steps in place to assist these TTEs to comply with very important health and safety requirements or by-laws. Although the stated aim of the CTT is “to offer world class service and facilities”, this certainly does not seem to apply to TTEs (CTT Brochure, s.l.). This finding correlates with what Rogerson noted in Soweto as obstacles that would prevent TTEs from taking up the opportunities offered by the World Cup 2010 and Matches to include non- hotel graded accommodation (2009:348).

4.3.2.4 Education and Success?

According to the GEMS Report (2009), people entering the business sector with a tertiary education do significantly better in business and are able to move beyond the start-up phase. In addition, having tertiary education significantly increases the probability that the entrepreneur manages to grow her or his business beyond the start-up phase and these entrepreneurs are the job creators (GEMS, 2009:41-44). The group of TTE respondents all,

bar one, had tertiary education and they did show some remarkable entrepreneurial traits. However, most seemed still to be in 'start-up' mode, including those who had already been in business for more than five years, even though four of the five had post-matric qualifications, and they had identified an opportunity and received some government support in the form of hosting and B&B management training at the beginning. Is it that they lack other essential skills related to managing a business, to product development and awareness of product cycles, and that little mainstream marketing of townships in general had been done by tourism authorities, as well as TTEs not receiving appropriate government support, as Rogerson and others have concluded, or is there another explanation for their puzzling lack of progress? (Rogerson, 2005; GEMS Report, 2009).

Research has shown that it appears TTEs do share some of the deficits relating to social capital and to the main tourism markets which are still largely European Rogers (2005, Nieman et al , 2008). While the TTEs in this case study are able to use unconventional marketing means, this kind of strategy is largely reactive, as opposed to being a result of well researched, planned interventions. Their business knowledge and actions are not sufficiently enabling for them to reach breakeven point or profitability. They need to be able to generate sufficient income from the business to do upgrades to their B&Bs, to employ staff regularly, and to have a marketing budget. R(b) reported that, after receiving a two week computer training, she still can't access, read or send emails and seems to lack confidence: "I think I'm too old, my daughter or grandchildren check my emails for me," she said. Given the trend is for tourists to increasingly use online and social media to communicate and to engage with entrepreneurs, this becomes a major hindrance. If a key person in the business is unable to use these communication tools, and cannot employ someone to manage this regularly and to use it with finesse; this gives a competitive edge to those who can do so. Only one TTE had a person assigned to regularly send updates to her B&B website links, which she said is important since guests often tell her they finally decided to stay at her B&B because of the comments of other guests posted on their website R (d).

4.3.2.5 Financial Access and Viability

A key constraint for these entrepreneurs is access to finance, to be able to either expand or complete their renovations; a number cited their age as a key reason banks will not consider funding them. Compliance in particular to health and safety regulations, but also to building and zoning regulations should be sensitively addressed, and then enforced in a way that does not cause the 'charm' of the setting to be lost. This finding correlates with what Rogerson found in his studies of emerging SMMEs, and these recommendations could be the same for new products, financial assistance enhanced skills etc (Rogerson,

2005:21). Investment by local authorities or banks is key to improving the overall look and feel of the offerings of the townships as a whole, since there would be consequences for everyone should the building and flouting of fire and safety rules be the cause of any serious accident to an international visitor, as the murder report of 'Dewani' in the international media demonstrated.

4.3.2.6 2010 Mega Event and TTEs

The interviews also indicated that none of those in the sample had, in the past 18 months, had their B&B filled to capacity for even one month, including the World Cup month of June 2010, which was the biggest sports event ever hosted in South Africa, and so should have delivered the many tourists as was promised.

As has already been discussed, the issues around marketing, product innovation, packaging and costing of township tour related products may need to be reexamined and repackaged.

I was told by R (a) that she was the only person in Guguletu and Langa to have one couple stay for one night over the entire two week period of the World Cup. I tried to validate this with the local tourism office who said they could not give accurate figures for the period. If one bears in mind that some B&B owners paid a steep fee to be able to host World Cup guests through the FIFA booking agency, Match, and the TTE respondents reported that not one booking was made, this is surprising and worrying. This not only represented a huge financial loss for these TTEs, but also a big let-down, and a discouragement to all respondents. To the question: "Do you think tourism authorities did enough to make your business or sector benefit at this time?" most TTE respondents preferred not to respond or answer this question, likely due to the fear of souring relations with authorities due to negative perceptions.

This finding led me to ask whether the guest numbers hosted by these TTEs have been and are low because accommodation has been and is in oversupply, because so few tourists choose to sleep over, because most township tour operators offer TT packages which focus on half day trips, or are there other reasons? There are no official figures for visitors choosing township tours or accommodation, and thus one has to speculate or rely on the reports of the TTEs and compare these with the figures quoted by researchers, which range from 5% to 25% of the number of tourists visiting JHB or Cape Town (Rogerson, 2005; Rolfes in Hülskopf 2011). Ivanovic (2008:318) refers to studies that show that, while percentages are high when tourists are asked whether they would pick cultural products, the uptake does not always correspond with their stated intentions. She argues that it is usually much lower, and that the reasons for this are numerous and complex, for example, products'

perceived authenticity, costs etc. Rogerson argues that TT geographic locations hinder TTEs from benefiting from business tourists (2005:634). This seems to be borne out by the findings of this case study. In this study, one TTE, R (d), reported that a few mainly black business people based in other provinces who come to Cape Town, choose to stay at their B&Bs instead of being in the City hotels, when they are here on business. The numbers of these visitors are still small (two or three people per quarter) but she saw the numbers growing. She already has two companies who regularly send their staff to stay with her. I assume that having some government officials stay over when on business in the City through preferential procurement could make a number of the B&Bs more viable / profitable businesses. However, given the relatively remote geographic location of these B&Bs from popular business locations, and the difficulties in complying with government compliances, as has been reported for the World Cup, present major challenges for TTEs.

4.3.3 Categories of Entrepreneurs

4.3.3.1 'Lifestyle' or 'Opportunity Entrepreneurs?

Rogerson describes urban TTEs as having chosen to be in tourism for economic reasons. He compares their reasons or motivation for their tourism venture to be unlike those of white 'Lifestyle' entrepreneurs, who are based in rural towns, and who are not primarily focusing on profit or growth, but on lifestyle, and says lifestyle entrepreneurs are primarily looking for a change from their previous lives (Rogerson, 2005b:630).

From the analysis of the data I argue that at it does at first glance appear that at least three of the TTEs in this case study could be classified as according to Rogerson's and others' 'Lifestyle Entrepreneurs' category. The only difference is that they are located not in idyllic rural settings, in an urban township (Rogerson, 2005b:630). They do not have the attractive rural setting of Rogerson's 'Lifestyle Entrepreneurs', for whom financial rewards are not essential. Instead, the B&Bs of these TTEs have vibrant township settings, they are steeped in apartheid history and the TTEs have seized the opportunity to both provide an up-close and personal account of the apartheid period, and to showcase the transformation of their community post-democracy, while being, with one exception, in the evening of their lives. However, starting a B&B was a choice each TTE made, not entirely because of lack of work opportunities, as is the case with 'necessity entrepreneurs' in the rural areas who may be opting for tourism/entrepreneurship until a job comes along. These TTE respondents took steps to establish their B&Bs as business opportunities. All indications from the accounts of the TTEs concerning their motivations for starting their enterprises point to this motivation, so for example, one TTE recalls hearing another B&B owner from another township being interviewed on the radio about her B&B in Khayelitsha:

I immediately thought, I could do that, my mother hosted people under apartheid, we had people in our house all the time, the wives who could not stay in the township with their husbands, came to visit and we hid them from police... I know how to be nice to people R (b).

She explained that she at the time she heard this radio interview, had an 'empty house' (her kids were grown up and had left home already), and she did not know of any B&B in her area, and so immediately decided she would be the first to start one in her area. She clearly decided this was an opportunity to exploit; she had the space, the interest, and some money to make changes to the house if this was needed. Another R (5) told me: 'I saw that people in Umtata who had B&Bs were doing well, so when I decided to returned to Cape Town I thought I would convert this house to operate one'. All the TTE respondents reported that they saw an opportunity, took the gap in the market, and that at the time it did not seem too difficult a thing to do. This kind of motivation corresponds with that of SMMEs in this sector the world over, who find this type of business has a 'low barrier to entry'- (not much capital or expertise required). All the TTEs recognised that they had a product to offer to visitors which was different from the current established 'white' tourism products; they had their community's apartheid past history, their personal stories and the township's spatial history to showcase, as well as their homes, and they were sure this was something visitors from overseas would want to experience.

On her website R(b) recalls that she had seen so many busloads of tourists just driving through the township, no one ever getting off the bus, just taking photos, and she recalled thinking that they needed to get out to meet the people. This account corresponds to that of Booyens, Nieman et al. of the tours offered in Alexandra and by Soweto TTEs (2010:277; 2008:294) The other B&B owners in this case study had very similar versions of how they came to start their B&Bs; they all appeared to be making 'opportunistic' choices in that they identified that they could use their homes, they had an interest in hosting, and so they did some research on how to get B&B started and running, and after some initial training, did so. Two of the five respondents could be described as passionate about tourism and had plans for their businesses to be sustainable, and even expressed a desire that their businesses would outlive them. R(c), for example, said, "I want this business to survive after I'm gone, I told my daughter", while another respondent said: 'I'm not sure what I would do if I did not have this'. As stated earlier it is generally accepted in the literature reviewed, that an essential feature of Opportunity Entrepreneurs is that they identify an opportunity or gap that exists in the market, they are innovative, they aim for growth in their businesses and have profit as a strong motivator, which more often than not leads to the need to employ more

staff as a consequence -job creation (GEMS Report, 2005: Rogerson, 2005:634, De Backer, 2008:12)

A key finding in this case study has been that the TTEs all report having identified tourism related business opportunity and that by having their homes converted into B&Bs their intention was to target mainly international tourists. However, their intention from the outset was, on the one hand to add to their personal income stream, and on the other an equally important goal linked to this was finding ways to have their community benefit from this activity. The latter goal it seems was intended to be either through donations given to local community based organisations to which they introduced their clients, or money offered for services rendered, for example washing tourists' cars, or offering casual jobs during the busy periods at their B&Bs. A few respondents also included the idea of giving local 'white' people a chance to see how township people really live. The benefit to their communities appeared to be a primary goal for most of these TTEs, and also far more important to them than making a profit. This is deduced by their actions, for example informing the community of their intention to start a business even before getting other start up aspects in place, such as forming partnerships with tour guides and operators, and sourcing business advice re costing, feasibility etc., and, even when they had few or no clients staying over during a 'mega event' like the World Cup, they did not give up on their businesses: " nobody came during Word Cup but since then, the World Cup x 10 people were here- they were locals from other provinces" R (e). Ever optimistic and with their pensions and other income streams they are able to continue despite many periods with very low occupancy"

I argue the crucial elements when evaluating a business opportunity for 'Opportunity Entrepreneurs' are economic viability, sustainability, and growth, and that these factors appeared not to be uppermost in the minds or plans of the respondents in the case study. However, when I asked about whether they monitored or tracked their 'breakeven numbers' relating to the number of clients who booked to stay at their B&Bs, none of the TTEs respondents knew what that number was or should be. The Merriam-Webster (2013) definition of 'breakeven' is: "the point at which cost and income are equal and there is neither profit nor loss". Knowledge of this number is important in assisting an entrepreneur to be aware of the potential of his or her business making a loss or profit at any given time, and thus to enable business appropriate decisions to be made (e.g. to put new marketing strategies in place), and so ensure that her or his business survives, grows, and remains viable. None of the TTEs were able to give me a yes or a number, or any indication that they had an understanding of the importance of having such a measure in place. One would expect 'opportunity entrepreneurs,' as defined earlier by Rogerson (2005b:634), to know this, to have this knowledge in place as part the monitoring mechanism for the progress and

viability of their B&B. R(b), for example, said, "I'm sure the person who does my admin would know how many people have booked". They all said they kept records of who visits, without also having a number to aim for to have at their B&B to ensure its sustainability and profitability as a business.

Thus, while it is true that the intention of most of the TTEs in the case study was, and remains, to have paying guests (preferably international) stay at their B&B, and that they want to fill their current B&Bs to capacity regularly, to have a few more visiting than they had in the previous year, the evidence that they plan on expanding their business premises to increase room numbers, or to employ more people as 'opportunity entrepreneurs' in theory would, it was not evident for four out of the five TTEs interviewed that this was the case. Instead it appears that some of these TTEs may be making lifestyle choices, that they share many of the characteristics of those identified as Lifestyle Entrepreneurs. in South African, and in places like the UK and New Zealand such B&Bs have been mainly white owned and located in pretty rural surroundings (Tassiopoulos, 2008:15; Rogerson, 2005b).

The data from this case study does seem to indicate that TTEs cannot all be simply put into one category of 'Lifestyle' or 'Opportunity' entrepreneurs. TTEs are not homogenous; most of these TTEs seem to fall 'in between' the classifications used, i.e. between the Opportunity and the Lifestyle entrepreneur categories as used by the GEMS report and others. This has important implications for the kind of support government and its training and mentoring agencies are providing, most of it currently quite generic, as Rogerson had noted (2005).

Most of the respondents said they did not use the internet or the social media at all to reach their target market; they were indirectly accessing target markets through use of intermediaries. R (5) hands-out pamphlets at local eateries at the Cape Town Airport. One B&B does not have its own website but was approached in the early days by a hosting website that hosts and advertises SA tourism related business, to get their information out on the internet at no cost to them, and to list the B&B. This has been on-going for 4/5 years and R (d) reports that numerous enquiries and bookings have come via this site, so much so that they have decided not to plan to have their own website, since booking payments are also managed through this site and they then pass on the money to the B&B. This kind of situation is typical of a large section of micro-entrepreneurs in this sector the world over (Tassiopoulos, 2008:15). Rogerson has however suggested that this is not common in the developing world where economic imperatives are key to entrepreneurs in developed countries.

4.3.3.1 a TTE Leading and or Early users?

The personal warmth, the life histories, the charm and ingenuity of TTEs in face of the poverty all around them, and the limited options open to the TTEs cannot be dismissed, and these seem to be the key ingredient in the B&B offering. Peters et al (2009) have proposed another way to view Lifestyle Entrepreneurs: while they may be incentivised by community enhancement, by quality of life rather than profit or the growth of their businesses, they are key part of the local tourism. They argue that most Lifestyle Entrepreneurs the world over share similar characteristics which include underutilising ICT in their businesses, poor management, and non-return on investment decisions. These appeared to be applicable to at least three of the five TTEs in this case study. R(d) when asked what motivated her to start her B&B said :, “Part of the dream really is the dream of helping the community”. Marcketti quotes Cornwall (1998) and Hendricks (2002) who suggest that Lifestyle Entrepreneurs have values and goals that are motivated by ‘...giving back and bettering their community...’. Lifestyle Entrepreneurs are being driven by quality of life, community enhancement. Each of the TTEs referenced their community in one breath as additional motivation for starting their business, and this was striking and was not noted by scholars in the other South African studies (Marcketti, 2009:243). This motivation needs further research to establish whether this is a common motivation for other SMMEs in the sector, or true only for these Cape Town TTEs.

Peters et al however, go on to suggest new and alternative ways for authorities to categorise and engage with these apparent ‘non-growth’ entrepreneurs (2009). They suggest that these Lifestyle Entrepreneurs are in many ways unacknowledged as pioneers or ‘early users’ of new leisure ideas. They often come into this business because they see a solution no one else has come up with, for example, when a number of these TTEs reported seeing busloads passing through their township, with very little or no engagement with locals, which led to these TTEs to explore ways to change this, to establish another kind of offering/product: a Township B&B in their areas, and get these Tourism Operators to stop their buses, provide an opportunity for the tourists to meet some locals. Some TTEs then offered to do lunch, take tourists to local cultural, educational and health related projects as well as offer overnight stays at their B&Bs. This kind of initiative is way ahead of the recommendations of tourism officials, ahead of Mzoli’s eatery and similar entities which are now so successful and popular with tourists. Now, years later, many local businesses based in the CBD, as well as the local universities, have at least one lunch at one of these eateries as a standard offering during orientation week or when they have out of town visitors. I argue that these TTEs, just as Peters et al. suggest of Lifestyle Entrepreneurs, are and have been key to township NGOs, and other tourism offerings being considered as options to be visited.

Peters et al. argue that growth oriented Opportunistic Entrepreneurs can feed off the ideas of Lifestyle Entrepreneurs, which could lead to generalised local economic benefits (2009). They argue that incentivising these Lifestyle Entrepreneurs, as part of a cluster locally or regionally could be an option to explore; these entrepreneurs would be able to grow in a cluster. They may then be less inclined to shut down their growth activities when these infringe on their quality of life. Surrounded by such support, being part of a cluster of businesses, possibly themed, could assist them in achieving their growth targets (Peters et al., 2009:397-401).

I argue that this has already happened in these townships but that it is as yet not recognised, and that TTEs with B&Bs have not been considered to be sufficiently important to the broader tourism value-chain to be considered for funding by banks and government supported agencies, in order for them to upgrade their facilities and, in so doing, also enhance other related tourist offerings in the broader township area. Other 'Opportunistic Entrepreneurs' have noticed that tourists and tourist operators want to come into the township but do not necessarily want to stay over, and thus these entrepreneurs have proceeded to offer meals and some music. Mzoli's is a very good example of an establishment that sprung up as an option for tourists, subsequent to these TTEs starting their businesses. Mzoli's has become a very popular butchery and has now captured a lucrative share of the tourism market; in the past he may only have served local clientele but has gone on to partner with outside big business to develop a modern mall in Gugulethu, the first of its kind in a Cape Town township, with all the leading SA retailers present. This kind of development could be an indication of the kind of innovation inspired or made possible by 'Lifestyle Entrepreneurs' in the TT space.

This has been a key finding and one that may have to be tested by bigger samples and in other townships in SA, to see if it could be more generalized with a bigger sample and in other townships in SA, since no other researchers have investigated this area.

4.4 Roles and Responsibilities of Local Tourism Bodies and Local Government

Both the key informants (KI-1 & KI-2), who are government officials, shared the difficulties of getting local tourism forums going in any one of the townships; such forums as there are appear to be fragmented. The officials view the forums as an avenue for tourism related entrepreneurs to use as a key mechanism for government and others to bring training, planning and other services to this sector. They reported that the TTE sector in Cape Town insist on receiving Government help and direction rather than the TTE's having their own

sector body / forum. However the officials reported that the local tourism forum in Soweto leads this process there and offered this as a key reason for the success of Soweto (according to KI-1). Soweto is the most visited township in South Africa, and is regarded as one of SA's top 20 tourist destinations (Booyens, 2010:277). KI -1 said of Cape Town townships: "Here they depend on government to bring them the business; they don't see that their tourism forums must lobby for things, should be promoting the area as a destination. They don't work together, which would help to get more business..."

While some of what the informants said about local township entrepreneurs taking their own initiative appears from this study to be so, there are numerous issues that appear to be appropriate to be addressed by the local authority. The three tiers of government have different roles and functions, many overlapping, and there are numerous grey areas and numerous seemingly obvious things that could be done to support these TTEs. Local authorities could start addressing the dearth of signage for B&Bs, sparse in both townships, each B&B having only one sign indicating the direction of the B&B from the main entrance to the township.

A few of the TTEs reported that they had made requests for to local tourism authorities to assist with signage numerous times without success. The local government official, when asked about this, indicated they "should just apply." (KI-2). One would think the department or officials would be proactive, and would have gone on a campaign to sort this glaring short-coming in a township, especially in the lead up to the 2010 World Cup, as part of the authorities' mandate to create an enabling environment for business, but seems it was not on their agenda. It seemed especially ironic when KI-2 told me to remember that "tourism is government lead, private sector driven, and community benefits".

Clearly 'the leading' needs to be more visible in the TT space. It is important to note that almost of these KI respondents in the study were members of the CCT and some of the Chamber of Commerce. TTEs all told me they valued the networking sessions, but none could recall having received one referral or guest through the CTT booking office, and they said they did not see why they had to pay a percentage over to the CTT if and when they did receive a referral. Most of the TTE respondents said they would not be renewing their membership in the coming year, citing hard times, although I suspect dissatisfaction with the absence of referrals played a large part in their resolve not to renew their memberships.

4. 5 Policy Goals: Transformation, Poverty alleviation and Job creation.

An important finding from the study is that only two of the five TTEs reported that they intended to grow their businesses to the extent that they would employ a number of people

permanently. Most indicated they had no intention of growing beyond creating jobs for just two or three people to assist them with cleaning, some administration support, and with the other hosting duties. Most of the TTEs currently employ one or two people on an ad hoc basis, and only when they have enough guests to fill their B&Bs to capacity. The rest have opened a B&B with the intention of simply using it to augment or supplement their pension. Some TTEs continue to work part-time, one R(b) working half day in the same field as she did pre-retirement (home-based nursing project leader), while she also grows and sells vegetables and chickens, a project tended by a full time gardener. Another respondent, R(c), runs a tuck- shop on another family member's premises, while another, R(a), was about to start a small preschool on her premises to "provide more regular income". These TTEs are operating on the margins of tourism, in the less lucrative end of the market, and would be considered part of Rogerson's "bottom tier", and what he calls "low profit niche markets" of the sector (Rogerson, 2005b:628-630).

Chapter 5 Conclusion and Recommendations

This study set out to be a qualitative study aiming for thick descriptions with perspectives from the TTEs and not only the experts, then compare the findings of Rogerson and others regarding SMME's and TTEs and the sample in this case study and see whether they align to governments strategic goals for this sector. I have used Rogerson's related scholarship as a framework from which to work and the Langa and Gugulethu as the site for the research.

I have shown that the Government's three strategic outcomes for the tourism sector appear to be largely mismatched with this study's sample of TTEs. Their motivation, entrepreneurial activities and minimal contribution to job creation and/or poverty alleviation objectives are not at all clearly aligned with these goals. The national policy for the tourism sector intends that, by prioritizing the tourism sector, and also through targeting black entrepreneurs in tourism, the 60-70% exclusively white ownership pattern would change to include more diverse ownership patterns, as well as fulfilling the job creation goals of government (Rogerson, 2007).

While there has been some success in achieving the strategic goals for this sector around THETA training in the form of learnerships offered to black youth, whether these opportunities for training and whether the experience these young people acquire while on the learnerships translates into full time decent work, as per the Industrial Labour Organisation's (ILO) definition, needs to be confirmed by further research. Such research would need to establish whether this training results in another sector employing semi-skilled casual labour who then go on to be employed only during the peak tourism months. This outcome, in turn, would therefore not enable these employees to gain adequate experience or income to alleviate poverty nor would it necessarily lead to further decent permanent work or job creation. The transformation goal has seen some success in the strategies employed in the course of government lobbying and facilitating financial tools to enable BBBEE empowerment deals such as the JSE listed City Lodge Hotels Limited, or Tourvest, which had a 51% acquisition by Guma Tourism, a BBBEE Consortium with investments that span various divisions and are found across the globe as predominantly wholesale operators (TECSA Annual Review, 2008). These deals have affected only a few black people, have further entrenched the dominance of 'big' business in this sector and have not changed the three tier structure identified by Rogerson (2005b:630) nor facilitated the enterprise growth and development which would lead to more jobs. In terms of changing the ownership or domination of big business and white ownership across most sub-sectors of tourism, from tour operators to accommodation ownership, not much has changed.

The expected benefits to SMME's from the state supported interventions, such as the TEP programs as envisaged by the policymakers and the TTEs, seems not to have reached many, and only one TTE explored in this study. The mega event of this period, the FIFA World Cup has to a large extent passed them by, as R (b) said: "I hear and read from the tourism people that Cape Town did so well, and I think, where? Because we did not see any, I don't know any of the tourism people in the township who did".

Not much research has been conducted in townships across South Africa but in the two sites where the case study was conducted, Langa and Guguletu, the TTEs are still what Rogerson calls marginal, bottom of his hierarchy tier of the sector, there is not much evidence of the spreading of the benefits of tourism to marginalised communities (2005a:13). Both townships look more or less as they did at the beginning of the new democracy in 1994; a few changes may be having a visitors centre for tourists to view a few crafters' wares displayed, five computers with internet access, and some guides based in the areas who do walk-about township tours. Otherwise, the signage remains sparse, and the few memorial sites are in poor condition, and some have had their commemoration plaques vandalised.

The TTE's B&Bs remain part of the niche market, and of low-profit sub-sectors of tourism. Rogerson's observations that the success derived from government supported programmes such as TEP is largely due to the TEP's decision to selectively identify those with 'the potential to grow', and then targeting these for assistance, while ignoring the needs of the larger portion of SMMEs such as the TTE sector, the marginal, entrepreneurs (Rogerson, 2007:13). TEPs focus on the operating environment, the ideas, energy and entrepreneurship, together with their philosophy of only supporting 'demand by market', has meant that none of the TTEs would qualify for their assistance, except for hospitality training and maybe some basic signage or branding.

No financial mechanism has been found to provide these entrepreneurs with financial access to upgrade their buildings and possibly to improve their marketing methods. Government and angel investors need to come alongside them, after proper evaluation of and appropriate support given to shape the business models of these TTEs, the USP and repackaging townships in general. This would need to be addressed if TTEs are to be included in the transformational goals of both national government and local government in Cape Town which has declared its Tourism's vision as: "to position Cape Town as a world-class competitor....and to maximise the economic spin-offs, spread the benefits of tourism and jobs created" (City Economic Development Framework, 2001).

The analysis from the literature review and this case study points to numerous gaps in the 'enabling role' of local authorities (including the tourism bodies), in terms of the flawed process of including and building these emerging entrepreneurs, their efforts appear to be more exclusionary than enabling: huge amounts of red-tape, not enough support with product development or market linkages, the training offered is not entirely appropriate, is too generic as has been shown in the findings of township researchers elsewhere in the country (Rogerson, Visser & Booyens, 2010). For example the current subsidising of emerging entrepreneurs by the CTT for visits and for exhibition space at key international tourism marketing platforms is only for a 2-3 year period; this needs to be extended. It requires more time to build the required marketing expertise, to acquire knowledge of the value-chain, and to explore alliances or partnerships when one comes in with little social capital or knowledge of how the value chain works. Efforts to address the challenges these TTEs face have been largely addressed in a lacklustre fashion, with not much evidence of innovation.

A study needs to be commissioned to put in motion the re-imaging of all townships as constituting an authentic, cultural and heritage product, and to compare international case studies for lessons to be applied here and, as George (2012:51) suggests reliable data is needed to understand what visitors want and/or expect, what makes them choose particular culture products, and in this process all stakeholders should be included. The unique elements to be developed are those which give each Township or 'a cluster of Townships' a distinct brand, a theme focus and so break the perception that 'if you've seen one you've seen them all'. Frenzel and Koen concur with this notion noting 'slums are not uniform entities' (2012:205).

Research has to be done into ways to encourage the targeting of the local domestic market, and using TT as a tool for building an 'inclusive' City, and enhancing social cohesion. These are strategic pillars of the vision of the City of Cape Town (capetown.gov.za). The current primary focus is on international visitors while it should include domestic and regional visitors, whose numbers are potentially greater than those of overseas visitors. In the face of the global downturn, South Africa (like most countries) should turn to focus on the domestic and regional markets as the National Tourism Growth Strategy 2011 recommends (2011:72).

Attention and further research focus on the following aspects as well:

- Commodification of Culture and Heritage issues, the importance of presenting authentic culture, uncovering what is unique in terms of the people, the sense of place, the history, to distinguish unique features so that each township can be

packaged or branded while protecting these communities and the environment from over-exploitation, sustainability issues should also be taken into account.

- Best practices from around the world for local application, such as the Peruvian governments regulation measures around the Inca Trail, in order to contain the leakages that happen when such measures are not in place. These measures have been proven to both protect communities and to spread the benefits (Booyens, 2010:284).
- How to have TTE experience peer to peer learning using innovative training directed at this particular group
- Innovative product development for more collaborative events across the City and which include townships.
- The perceived and real crime, safety and security issues, which impact on the number of tourists choosing to visit and stay in a township thus influences the success of tourism ventures,
- Local tourism forums need to be re-established, revitalised and strengthened to enable these bodies to be effective institutions, to address issues like poor signage for their businesses and township branding
- The reasons why tourists travel and the latest trends needs to be researched
- The question of how to grow domestic tourism, in such a way to include more citizens, e.g. nation building objectives can be linked to this market through national holidays, for example Heritage day can be an opportunity to link schools and families to this product.

Township tourism could be developed according to the governments policy expectations as a sustainable and profitable approach to tourism. It would enable marginalised communities who are far from the centres of profitability, to benefit from this sector, and to experience economic transformation.

This study highlights the need for further research which looks more closely at TTEs across the country, at more sites and with larger samples. This may show whether there are in fact more TTEs who are Lifestyle Entrepreneurs who should be applauded for their concern with quality of life together with their resolve to serve their community. If this is so, they would need very different kinds of support from both government, their agencies

and financial institutions. Synergistic clustering with growth focussed Opportunity Entrepreneurs could enhance collaboration of a range of businesses for mutual benefit. The research and actions required would enhance TTEs capacity to align their entrepreneurial motivation and contribution in a more significant way to governments national strategic transformation goals than they have been able to do up until now.

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APPENDICES

APPENDIX 1 Respondents Interviewed Table

Respondent	Area	*Descriptions and a key Quote *(rather than insert a name- to protect identity of respondents and key informants as promised)
R (a)	Langa	Tourism Township Entrepreneur: 'I will start a creche next year to have consistent income'
R (b)	Langa	Backpacker: 'growing veggies and chickens, working half day as well' - has a housekeeper and gardener fulltime
R (c)	Langa	B&B: 'I just knew I could enjoy this I told my daughter I want this business to continue after me...'
R (d)	Gugulethu	'You know, would I give up? I think I like it so much, I'd rather die, 'cause I like it so much'.
R (e)	Gugulethu	B & B - room with a view "...friends in Butterworth B&Bs were doing so well, I thought I would start one here in my Cape Town home.'
Key informants:		
KI 1		Senior Destination Marketing Organization staff member
KI 2		Senior City of Cape Town Tourism official
KI 3		Tourism Operator: TT guide and co-partner

APPENDIX 2 INTERVIEW SCHEDULE GUIDE

GUIDING CATEGORIES FOR QUESTIONS

(Themes guided by Literature Review)

Demographics

1.Age

A. 30 – 45

B. 45 – 60

C. 60 PLUS

2. Gender

M/F

3.Education level Complete

- **Primary**
- **Matric**
- **Tertiary**

4.*When started business (* emerging vs. established)

5.Type Clients targeting:

a. Locals

b. internationals

c. Mixture

6.Reason / Motivation for starting business (*Necessity/Opportunity/ Lifestyle)

Opportunity driven saw opportunity? (e.g. to add to existing business offerings- expanding business)

- had any previous experience of sector / industry – links
- formal related education or training/
- -know any entrepreneurs in circle/social network?
- Govt.incentives, promotions of tourism/marketing by govt./tourism authority
- plan to grow business & create jobs?

7. Challengers/Constraints:

- How do you market your business? (social capital, networks, use of technology-website, brochures)
- Location: is safety/security/crime an issue for your clients?
- Tour operators: Type of packages/marketing offered: stay overnight or just half day visits-any partnerships
- Packages/ product types of tours offered (struggle history/heritage/culture)
- Your business experience/skills? any formal related training/education
- Business finance- funding own-government?
- Red tape to operate/register business?
- Any government support received?
- Policies, finance, training, market linkages, trade expo's?
- Any innovative/new ideas to increase tourism: marketing; tourism authority, city, promoting townships?
- What is unique about your Townships offering(USP- unique selling point- comparative to others in City/ country?)
- Any benefits derived from Big events in Cape Town- e.g. World Cup/ World Economic Forum etc)
- From promoting the township as a whole?
- Any key local business promoting/ prominent tourism business person in area-high profile (e.g. Mzolis- - does this help or hinder your business / area- any spin off for others in tourism
- Are you a member of CT Tourism
- Or any local Association (fragmentation)

8. Business Operation

- Do you have computerised system-industry package?
- Email bookings?
- Credit card machine?
- ? Staff numbers and their role in the business?
- Are they related to you?
- Do they have formal training- what?
- Do you keep a seasonal or annual bed night count/stat/records-records occupancy rates
- Know what's 'a breakeven number'- to make business viable & sustainable?